NONPROFIT MANUAL

Pennsylvania Nonprofit Organizations
Formation, Tax-Exempt Status, and Charitable Solicitation

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With sincere thanks to
Deborah J. Zateeny, Esq. for her review and contributions to this guide

Volunteer attorneys must undertake to research any changes in the law since August 21, 2014, when this guide was last reviewed.
# TABLE OF CONTENTS

## The Organization

I. The Organizational Form
   a. Name
   b. Registered Address
   c. Purposes
   d. Not for Pecuniary Gain or Profit
   e. Perpetual Existence
   f. Non-stock Basis
   g. Members
   h. Dissolution
   i. Incorporators
   j. Directors

II. After Incorporation
   a. Advertisement
   b. Organizational Meeting
   c. Obtain Employer Identification Number
   d. Nonprofit Reporting Requirements

## 501(c)(3) Organization

I. Does my Organization need to file for recognition with the IRS?
   a. Filing Fee Schedule

II. Qualifying as a § 501(c)(3) Organization
   a. Organizational Test
   b. Operational Test
   c. Exempt Purposes
   d. Private Inurement & Private Benefit
   e. Lobbying
   f. Political Campaigns

III. From 1023 EZ
   a. Identification of Applicant
   b. Organizational Structure
   c. Activities
   d. Foundation Classification
   e. Reinstatement Status & Signature
   f. Filing

III. Public Charity or Private Foundation

IV. Annual Reporting Requirements

## The Pennsylvania Solicitation of Funds for Charitable Purposes Act

I. Does my Charitable Organization Need to Register?

II. What does my Charitable Organization Need to do to Register (and renew)?
Appendix

I. I.R.C. § 501(c)(3) 21

II. Other Relevant Statutes 22
   b. 15 Pa.C.S. §5301 [Purposes] 22
   c. 15 Pa.C.S. §5302 [Number & Qualifications of Incorporators] 23
   d. 15 Pa.C.S. §5303 [Corporate Name] 23
   e. 15 Pa.C.S. §5305 [Reservation of Corporate Name] 26
   f. 15 Pa.C.S. §5306 [Articles of Incorporation] 26
   g. 15 Pa.C.S. §5307 [Advertisement] 28
   h. 15 Pa.C.S. §5308 [Filing of Articles] 28
   i. 15 Pa.C.S. §5310 [Organizational Meeting] 28
   j. 15 Pa.C.S. §5507 [Registered Office] 29
   k. 54 Pa.C.S. §303 [Fictitious Names] 29
   l. 54 Pa.C.S. §503 [Decennial Filings Required] 30

III. Internal Revenue Code 32
    a. I.R.C. §501(h) [Expenditures by Charities to Influence Legislation] 32
    b. I.R.C. §508 [Special Rules for Nonprofits] 34

IV. Model Articles of Incorporation 38
V. Model Nonprofit Bylaws 41
VI. IRS Exempt Organization Determination Process Flow Chart 61
VII. IRS Form 1023 Questionnaire 62
VIII. The Solicitations Act Exclusions and Exemptions Table 67
IX. Institution of Purely Public Charity Registration 69
X. The Solicitations Act Form BCO-10 Instructions 71
XI. The Solicitations Act Form BCO-23 79
THE ORGANIZATION

A nonprofit organization must first determine if the organization’s “purpose” qualifies as a lawful nonprofit and tax-exempt purpose. Pennsylvania nonprofit corporations must comply with both Pennsylvania nonprofit corporate law and the Internal Revenue Code. The Pennsylvania Nonprofit Corporation Law of 1988 (the “Act”)¹, which governs Pennsylvania nonprofit corporations, allows for very broad purposes. A nonexclusive list of the allowable nonprofit purposes can be found at 15 Pa.C.S. § 5301. The Internal Revenue Service (“IRS”) takes a more restrictive stance when it comes to allowable purposes regarding tax-exempt status, with Section 501(c) of the Internal Revenue Code of 1986 (“I.R.C.”) governing. I.R.C. § 501(c)(3) (hereinafter “501(c)(3)”) states that the organization must be organized and operated for charitable, religious, scientific, literary, or educational purposes.² Please see the full text of 501(c)(3) and relevant state law in the appendix.

I. THE ORGANIZATIONAL FORM

There are several organizational forms that nonprofit organizations may utilize in Pennsylvania, including: Nonprofit Corporation, Unincorporated Association, Charitable Trust, and Limited Liability Company. The Nonprofit Corporation is the most commonly used and will be the focus of this guide because it is the form for which Philadelphia VIP generally refers for free legal assistance.

In Pennsylvania, Articles of Incorporation must be filed with the Pennsylvania Department of State.³ The Pennsylvania Department of State Bureau of Corporations and Charitable Organizations’ (“Bureau”) website at www.dos.state.pa.us/corps provides form Articles of Incorporation and the Docketing Statement, both of which must be submitted by an incorporating organization. Please be aware that while the Nonprofit Articles of Incorporation form found in the Pennsylvania Department of State’s website complies with the Act, the form does not include all language necessary to satisfy the requirements for 501(c)(3) tax-exempt status. In addition, a $125 filing fee must be paid. Philadelphia VIP clients are responsible for paying this filing fee and all other fees. If your firm utilizes an incorporation service, VIP asks that the client only be responsible for the filing fee.

Included in the appendix are Model Articles of Incorporation that satisfy both the Pennsylvania and 501(c)(3) requirements. The following discussion will highlight the necessary provisions.

¹ 15 Pa.C.S. § 5101 et seq.
² See I.R.C. § 501(c)(3). This guide will only focus upon 501(c)(3), but the attorney should be aware that other subsections of I.R.C. § 501(c) may be more applicable to the organization.
³ See 15 Pa.C.S. § 5308.
1. **Name** – The Act requires that Articles of Incorporation include the corporation’s name. A nonprofit corporation must operate under an available corporate name. Before a nonprofit corporation selects a name, check the availability of the proposed name on the Corporation Bureau’s website to make sure it is not the name used by an existing for-profit or nonprofit corporation. The name should also not conflict with a name registered with the U.S. Patent and Trademark Office (www.uspto.gov). If there will be a significant lag time between inception and filing of Articles of Incorporation, the corporate names may be reserved for exclusive use with the Pennsylvania Department of State for a fee. Furthermore, a corporation may, for a fee, register a fictitious name – Philadelphia VIP does not recommend registering a fictitious name unless the nonprofit corporation will be conducting business under a name other than the name listed on the Articles of Incorporation.

2. **Registered Address** - The Act requires the initial registered address to be listed. The registered address must be a street address in Pennsylvania and cannot be a post office box.

3. **Purposes** – The Act only requires a brief statement of the purpose or purposes for which the corporation is incorporated. The language in the Model Articles of Incorporation in the appendix is not included on the Articles of Incorporation form found at the Bureau’s website (and exceeds Pennsylvania’s requirements); however, the IRS requires this language (or words of similar import) to be included in the Articles of Incorporation of all nonprofit corporations seeking 501(c)(3) tax-exempt status.

4. **Not for pecuniary gain or profit** – A statement that the corporation “does not contemplate pecuniary gain or profit, incidental or otherwise” is required by the Act; a sample of such a statement is included in the Model Articles of Incorporation in the appendix.

5. **Perpetual Existence** – The Act presumes corporations to exist perpetually unless noted otherwise in the Articles of Incorporation.

6. **Nonstock Basis** – If the corporation is a membership corporation, the Act requires a statement whether the corporation is to be organized upon a nonstock basis or a stock share basis. All Philadelphia VIP nonprofit clients will be organized on a nonstock basis.

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4 See generally 15 Pa.C.S. § 5303.

5 See 15 Pa.C.S. § 5305.

6 See 54 Pa.C.S. § 303.

7 See 15 Pa.C.S. § 5507.

8 See 15 Pa.C.S. § 5306(a)(4).

9 See 15 Pa.C.S. § 5306(a)(9).
basis. If the nonprofit is to be organized on a stock share basis, please refer to 15 Pa.C.S. § 5306(a)(6) for additional requirements.

7. **Members** – The Act requires a statement if the nonprofit corporation will **not** have members. A choice must be made to incorporate as either a membership or non-membership organization. Membership corporations may have members with voting power that are not necessarily on the board of directors while non-membership corporations are governed by the board of directors. If a nonprofit corporation will have members, the classes and rules of membership will be defined by the Bylaws adopted by the membership.

8. **Dissolution** – This language is not required by the Act. The language in the Model Articles of Incorporation is not included on the Articles of Incorporation form found at the Bureau’s website (and exceeds Pennsylvania’s requirements); however, the IRS requires this language to be included in the Articles of Incorporation of all nonprofit corporations seeking 501(c)(3) tax-exempt status. This language is also required to obtain Pennsylvania sales tax exemption or real estate tax exemption.

9. **Incorporators** – The Act requires the names and addresses of each of the incorporators to be listed in the Articles of Incorporation. “One or more corporations for profit or not-for-profit or natural persons of full age may incorporate a nonprofit corporation under the provision of [the Act].” “Full age” means age 18 or older. Furthermore, the Articles of Incorporation must be signed by each of the Incorporators.

10. **Directors** – The Act permits, but does not require, the initial directors to be named in the Articles of Incorporation. However, the naming of directors in the Articles of Incorporation constitutes an affirmation that the named directors have consented, in writing, to serve as directors.

II. **AFTER INCORPORATION**

a. **Advertisement**

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10 See 15 Pa.C.S. § 5306(a)(7).
11 See 15 Pa.C.S. § 5302.
12 See 15 Pa.C.S. § 5103.
13 See 15 Pa.C.S. § 5306(a).
15 See 15 Pa.C.S. § 5306(c).
16 See 15 Pa.C.S. § 5307.
The incorporators or the corporation must publish either a notice of intention to file or of the filing of Articles of Incorporation. The notice may appear prior to or after the day the Articles of Incorporation are filed with the Department of State. Because the filing of articles of incorporation may be rejected or delayed by the Bureau, it is preferable to advertise after the incorporation has been effectively filed. The notice must appear in two newspapers, one of general circulation and the other the local legal newspaper. In Philadelphia, one newspaper of general circulation is the *Philadelphia Daily News.* 

Furthermore, in Philadelphia, legal advertising must be done through *The Legal Intelligencer.* VIP clients are responsible for advertising costs.

The Act requires that the advertisement shall briefly set forth:
- The corporate name
- A statement that the corporation is to be or has been incorporated under the Pennsylvania Nonprofit Corporation Law of 1988

The following is a sample advertisement:

NOTICE is hereby given that [name of corporation] was incorporated under the Pennsylvania Nonprofit Corporation Law of 1988.

*b. Organizational Meeting*

After the filing of the Articles of Incorporation, the initial directors (or the incorporators if initial directors are not named in the Articles of Incorporation) must hold an organizational meeting to adopt bylaws, elect directors (if not named in the Articles of Incorporation), and conduct any other business that may be necessary.

Philadelphia VIP’s Model Nonprofit Bylaws have been provided in the appendix below. Please be aware that these bylaws have been drafted for a Non-Membership nonprofit corporation. Bylaws provide the framework for governance and management of the nonprofit organization, so a “boilerplate” approach will not work for all organizations - the bylaws should be written carefully and clearly.

*c. Obtain Employer Identification Number*

The EIN is necessary for filing a tax exemption application with the IRS and tax returns, opening a bank account, and withholding employees’ income and FICA taxes. To obtain an EIN, fill out IRS Form SS-4, available at www.irs.gov or apply online at the IRS website.

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17 Please contact the *Daily News* legal publication department at 215-854-5834 for rates.

18 Please visit the *Legal Intelligencer’s* website (www.legalintelligencer.com) for information on the procedures for advertising a legal notice with the paper.

19 *See 15 Pa.C.S. § 5310.*
d. Nonprofit Reporting Requirements

The Act requires nonprofit corporations to report changes to their officers on or before April 30th of each year if there has been a change in officers during the preceding calendar year. Nonprofit corporations report a change in officers on Annual Statement 5110. Also, Decennial Report of Association Continued Existence (Form DSCB: 54-503) must be filed once every ten years if the corporation has not made a new or amended filing with the Corporation Bureau in the last 10 years. Decennial reporting years end in 2021, 2031, 2041, etc.

Furthermore, the Act provides that the Board must present an annual report to the members (or the Board of Directors in the absence of members). The report must be verified by the President and Treasurer or by a majority of the Directors.

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22 15 Pa.C.S. § 5554.
501(c)(3) ORGANIZATION

I.R.C. § 501(c) provides that 27 types of nonprofit organizations are exempt from federal income tax. Most Philadelphia VIP clients seek tax-exempt recognition under 501(c)(3). It may be beneficial for the client to review IRS Publication 4220, Applying for 501(c)(3) Tax-Exempt Status, to better understand the process and continuing requirements that accompany 501(c)(3) recognition. The remainder of this section will focus upon the requirements of 501(c)(3).

I. DOES MY ORGANIZATION NEED TO FILE FOR RECOGNITION?

501(c)(3) organizations must generally file Form 1023 with the IRS to apply for recognition of tax-exempt status. However, the following organizations are not required to file to be recognized by the IRS:

- Churches, their integrated auxiliaries, and conventions or associations of churches;
- An organization that is not a private foundation and normally has annual gross receipts of less than $5,000; and
- Organizations subordinate to parent organizations (other than private foundations) covered by a group exemption letter.

If an organization meets all of the twenty-six criteria set forth in the “Form 1023-EZ Eligibility Worksheet,” the organization is eligible to file the Form 1023-EZ instead of Form 1023. Form 1023-EZ is designed for smaller charities. For this purpose, a smaller charity is defined as having fewer than $50,000 in gross receipts per year in any of the next three years. Smaller charities also must not have assets in excess of $250,000. Filing Form 1023-EZ is advantageous because it is much shorter (only three pages compared to the twenty-six page Form 1023) and supporting documentation is generally not required.

An organization must file Form 1023 or Form 1023-EZ within 15 months after the end of the month it was organized (articles of incorporation filed). However, the

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23 Publication 4220 can be found on the IRS website (www.irs.gov).

24 Form 1023 can be found at the IRS website (http://www.irs.gov/pub/irs-pdf/f1023.pdf).

25 I.R.C. § 508(a).

26 I.R.C. 509(a) defines private foundation. See discussion below on public charities versus private foundations. VIP clients are generally public charities.

27 Form 1023 EZ can be found at the IRS website (http://www.irs.gov/pub/irs-pdf/f1023ez.pdf)

28 Treas. Reg. § 1.508-1(a).
IRS provides an automatic 12-month extension for the filing due date.\textsuperscript{29} If an application for recognition of exemption is filed within the 27-month period, any exemption recognized by the IRS will generally relate back to the date of formation. However, if the application for recognition is not filed within the 27-month period, any exemption recognized by the IRS will generally relate back only to the date of filing Form 1023 or Form 1023-EZ.\textsuperscript{30} If an application is not timely filed, donors will not be able to claim a charitable deduction for contributions made to an organization during the period that its tax exemption was not recognized. Furthermore, organizations must make the application, any supporting documents, and the IRS exemption determination letter available for public inspection upon request.

The IRS charges a user fee for exempt organization determination letters. Philadelphia VIP clients are responsible for any user fees associated with the filing of Form 1023. Please reference the chart below.\textsuperscript{31}

<table>
<thead>
<tr>
<th>ISSUE / TYPE OF REQUEST</th>
<th>OFFICE OF JURISDICTION</th>
<th>USER FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exemption application (Form 1023, 1024, or 1028)</td>
<td>EO Determinations</td>
<td></td>
</tr>
<tr>
<td>Organizations with annual gross receipts less than or equal to $10,000 during preceding 4 years</td>
<td></td>
<td>$400</td>
</tr>
<tr>
<td>Organizations that qualify to and submit the Form 1023-EZ</td>
<td></td>
<td>$400</td>
</tr>
<tr>
<td>Organizations with annual gross receipts greater than $10,000 during preceding 4 years</td>
<td></td>
<td>$850</td>
</tr>
</tbody>
</table>

Please reference the IRS flow chart, “Exempt Organization Determination Process,” included in the appendix, showing the review process. Be aware that the review process can take several months, depending on the volume of applications pending at the time of filing. In general, applications are processed in the order received by the IRS; however, sometimes the IRS will expedite the review process. For expedited

\textsuperscript{29} Treas. Reg. § 301.9100-2.

\textsuperscript{30} But see Treas. Reg. § 301.9100-3 (providing an additional discretionary extension if the organization acted reasonably and in good faith and if granting the extension will not prejudice the interests of the government).

\textsuperscript{31} The chart lists the user fees as of 8/21/2014 – please refer to the IRS website (irs.gov) to determine the current user fee schedule.
processing to be granted, however, there must be a compelling reason to process the case ahead of others.\textsuperscript{32} A request for expedited processing must be made in writing and must fully explain the compelling reason. Granting expedited processing is at the discretion of the IRS.

\textbf{II. FORM 1023 - QUALIFYING AS A 501(c)(3) ORGANIZATION}

Form 1023 must be submitted by an organization seeking IRS recognition as a § 501(c)(3) tax-exempt entity. In preparing to complete Form 1023, the volunteer attorney may find it beneficial to ask the client to complete the Form 1023 Questionnaire included in the appendix.

The following discussion highlights certain points that may require special attention.

\textit{a. Organizational Test}\textsuperscript{33}

There are very specific requirements that the articles of incorporation of an organization applying for exemption recognition must meet. The Model Articles of Incorporation discussed in the previous chapter (and provided in the appendix) satisfy the requirements. The following discussion will briefly highlight the IRS requirements.

- The purposes of the organization must be specified and must be an exempt purpose under 501(c)(3).\textsuperscript{34}
  - It is permissible to state a broad purpose by copying the language of 501(c)(3) or a more specific purpose may be stated as long as that purpose falls within the language of 501(c)(3).

- The articles cannot expressly empower the organization to engage in activities that do not further the exempt purposes.\textsuperscript{35}

- The articles cannot expressly empower the organization to attempt to influence legislation, participate in any political campaign, or to be characterized as an “action” organization.\textsuperscript{36} For a further explanation, please see the discussion below.

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\textsuperscript{32} A list of “compelling reasons” can be found at the IRS website (http://www.irs.gov/Charities-&-Non-Profits/Applying-for-Exemption:-Expediting-Application-Processing).

\textsuperscript{33} See Treas. Reg. § 1.501(c)(3)-1(b) (while the Treasury Regulations will not be included in the appendix, all relevant Treasury Regulations can be accessed at http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR).

\textsuperscript{34} \textit{Id.}

\textsuperscript{35} Treas. Reg. § 1.501(c)(3)-1(b)(1)(iii).
• The organization must dedicate its assets to exempt purposes – this requirement can be satisfied through the inclusion of a standard dissolution clause which ensures that assets will continue to be used for appropriate exempt activities.\(^{37}\)

If the organization’s articles of incorporation fail to comply with the organizational test, the articles should be amended before the organization files an exemption application. Please be aware that the IRS will suspend processing of the application until after receiving the amended documents if, in its consideration of the exemption application, the IRS picks up the problem. If articles need to be amended, the client will have to pay the $70 filing fee to the Pennsylvania Department of State.

\[b. \quad \textit{Operational Test}^{38}\]

To be sure organizations operate in compliance with the requirements of 501(c)(3), the IRS looks into the applying organization’s operations. Form 1023 requires an organization to describe its operations and sources of income (both current and anticipated).

• The organization must engage primarily in activities that accomplish one of the permitted exempt purposes – no more than an insubstantial part of the organization’s activities can be in furtherance of a nonexempt purpose.\(^{39}\)
  - This requirement does not mean an organization cannot engage in nonexempt activities; rather, it only means that the nonexempt activities should not be in too great a proportion of the organization’s overall activities. See section below on lobbying.

• The organization must be engaged in activities furthering public purposes rather than private interests.\(^{40}\)

• The organization cannot constitute an “action” organization.\(^{41}\)

\(^{36}\) Treas. Reg. § 1.501(c)(3)-1(b)(3).

\(^{37}\) Treas. Reg. § 1.501(c)(3)-1(b)(4).

\(^{38}\) \textit{See} Treas. Reg. § 1.501(c)(3)-1(c).

\(^{39}\) \textit{See} Treas. Reg. § 1.501(c)(3)-1(c)(1) (operated “exclusively” for an exempt purpose has been interpreted to mean “primarily”).

\(^{40}\) \textit{See} Treas. Reg. § 1.501(c)(3)-1(c)(2).

\(^{41}\) \textit{See} Treas. Reg. § 1.501(c)(3)-1(c)(3) (may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against any political candidate).
• The organization must not engage in illegal activities or in activities that contravene federal policy. \(^{42}\)

c. **Exempt Purposes** \(^{43}\)

A 501(c)(3) organization must be organized and operated for one of the following exempt purposes:

• Religious

• Educational \(^{44}\)
  o Private schools must have a racially nondiscriminatory policy as to students and must make this policy known. See *Bob Jones Univ. v. United States*, 461 U.S. 574 (1983).

• Charitable \(^{45}\)
  o Relief of the poor, distressed, or underprivileged
  o Advancement of religion
  o Advancement of education or science
  o Erection or maintenance of public buildings, monuments or works
  o Lessening of the burdens of government
  o Promotion of social welfare
  o Promotion of health

• Scientific \(^{46}\)

• Literary

• Testing for public safety

• Prevention of cruelty to children or animals

• To foster national or international amateur sports competition

\(^{42}\) Rev. Rul. 97-21, 1997-1 C.B. 121.

\(^{43}\) See generally Treas. Reg. § 1.501(c)(3)-1(d).

\(^{44}\) See Treas. Reg. § 1.501(c)(3)-1(d)(3).

\(^{45}\) See Treas. Reg. § 1.501(c)(3)-1(d)(2).

\(^{46}\) See Treas. Reg. § 1.501(c)(3)-1(d)(5).
d. Private Inurement and Private Benefit (Treas. Reg. § 1.501(c)(3)-1(c)(2))

A 501(c)(3) organization must not be organized or operated for the benefit of private interests, such as the creator or the creator's family, shareholders of the organization, other designated individuals, or persons controlled directly or indirectly by such private interests. No part of the net earnings of a 501(c)(3) organization may inure to the benefit of any private shareholder or individual. A private shareholder or individual is a person having a personal and private interest in the activities of the organization.

In order to prevent violations of the IRS prohibition on private inurement and private benefits, it is strongly recommended that the organization adopt a conflicts of interest policy in its bylaws. The Model Nonprofit Bylaws in the appendix include a sample conflicts policy, as do the instructions to IRS Form 1023 (page 25).

e. Lobbying

In general, no organization may qualify for 501(c)(3) status if a substantial part of its activities is attempting to influence legislation (lobbying). A 501(c)(3) organization may engage in some lobbying, but too much lobbying activity risks loss of tax-exempt status.

Legislation includes action by Congress, any state legislature, any local council, or similar governing body, with respect to acts, bills, resolutions, or similar items (such as legislative confirmation of appointive office), or by the public in referendum, ballot initiative, constitutional amendment, or similar procedure. It does not include actions by executive, judicial, or administrative bodies.

An organization will be regarded as attempting to influence legislation if it contacts, or urges the public to contact, members or employees of a legislative body for the purpose of proposing, supporting, or opposing legislation, or if the organization advocates the adoption or rejection of legislation. Organizations may, however, involve themselves in issues of public policy without the activity being considered lobbying.

Whether an organization’s attempts to influence legislation constitute a substantial part of its overall activities is determined on the basis of all the pertinent facts and circumstances in each case. The IRS considers a variety of factors, including the time devoted (by both compensated and volunteer workers) and the expenditures devoted by the organization to the activity, when determining whether the lobbying activity is substantial.


48 For example, organizations may conduct educational meetings, prepare and distribute educational materials, or otherwise consider public policy issues in an educational manner without jeopardizing their tax-exempt status.
Under the substantial part test, an organization that conducts excessive lobbying in any taxable year may lose its tax-exempt status, resulting in all of its income being subject to tax. In addition, 501(c)(3) organizations that lose their tax-exempt status due to excessive lobbying, other than churches and private foundations, are subject to an excise tax equal to five percent of their lobbying expenditures for the year in which they cease to qualify for exemption.

Organizations other than churches and private foundations may elect the expenditure test under I.R.C. § 501(h) as an alternative method for measuring lobbying activity. Under the expenditure test, the extent of an organization’s lobbying activity will not jeopardize its tax-exempt status, provided its lobbying expenditures do not normally exceed an amount specified in I.R.C. § 4911 (see table below). This limit is generally based upon the size of the organization and may not exceed $1,000,000, as indicated in the table below.

<table>
<thead>
<tr>
<th>If the amount of exempt purpose expenditures is:</th>
<th>Lobbying nontaxable amount is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\leq$500,000</td>
<td>20% of the exempt purpose expenditures</td>
</tr>
<tr>
<td>&gt;$500,000 but $\leq$1,000,000</td>
<td>$100,000 plus 15% of the excess of exempt purpose expenditures over $500,000</td>
</tr>
<tr>
<td>&gt;$1,000,000 but $\leq$1,500,000</td>
<td>$175,000 plus 10% of the excess of exempt purpose expenditures over $1,000,000</td>
</tr>
<tr>
<td>&gt;$1,500,000</td>
<td>$225,000 plus 5% of the exempt purpose expenditures over $1,500,000 (subject to the overall $1,000,000 cap on total lobbying expenditures)</td>
</tr>
</tbody>
</table>

Organizations electing to use the expenditure test must file IRS Form 5768. Under the expenditure test, an organization that engages in excessive lobbying activity over a four-year period may lose its tax-exempt status, making all of its income for that period subject to tax. Should the organization exceed its lobbying expenditure dollar limit in a particular year, it must pay an excise tax equal to 25 percent of the excess.

**f. Political Campaigns**

All 501(c)(3) organizations are absolutely prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. Contributions to political campaign funds or public statements of position (verbal or written) made on behalf of the organization in favor of or in opposition to any candidate for public office clearly violate the prohibition against political campaign activity. Violating this prohibition may result in denial or revocation of tax-exempt status and the imposition of certain excise taxes.

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III. **FORM 1023-EZ - QUALIFYING AS A 501(c)(3) ORGANIZATION**

Form 1023-EZ can be submitted by any organization seeking IRS recognition as a § 501(c)(3) tax-exempt entity that meets all twenty-six criteria set out in the Form 1023-EZ Eligibility Worksheet. The 1023-EZ has six parts for organizations to complete.

**a. Part I – Identification of Applicant**

The Identification of Applicant section includes basic questions about the name of the organization, address, contact person, phone number, employee identification number, and officers.

**b. Part II – Organizational Structure**

You must select whether your organization is a corporation, unincorporated association, or trust. The organization must identify whether an organizational document such as a trust agreement or articles of incorporation has been adopted, date the organization was established, state of incorporation, as well as several questions about the content of organizational documents if they exist.

**c. Part III – Activities**

In this section, the IRS is checking to see whether the organization engages in activities that violate the IRS’s rules for exempt organizations. An organization may not:

a. Support or oppose candidates in political campaigns;
b. Use any of the organization’s assets for the benefit of officers, directors, key management employees and other insiders;
c. Engage in non-exempt activities, except in an “insubstantial” way;
d. Be organized or operated for the primary purpose of engaging in a trade or business unrelated to the organization’s exempt purposes;
e. Devote more than an insubstantial part of its activities attempting to influence legislation; and
f. Provide commercial type insurance as a substantial part of its activities

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52 Per the Form 1023-EZ application instructions, an application will not be considered without an EIN number even if you have no employees. To get an EIN online go to: [www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online](http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Apply-for-an-Employer-Identification-Number-(EIN)-Online)

53 I.R.C. § 503(a).
Additionally, based on the answers to the last eight questions, the IRS may ask for more information.

d. Part IV – Foundation Classification

The organization must classify itself as a public charity or private foundation.\(^{54}\) See discussion at Part IV below and the Form 1023 instructions. A public charity receives the majority of its funds from the general public, while a private foundation has contributions mostly from private investments. A more detailed discussion follows in Part IV and the Form 1023 instructions.

e. Part V and Part VI – Reinstatement Status and Signature

An organization must note in Part V whether it is applying for reinstatement as an exempt organization. Part VI must include the signature of an officer, director, or trustee who is authorized to sign for the organization. An attorney who is not an officer, director, or trustee is not an authorized signer.

f. Filing

The Form 1023-EZ can only be filed online at [http://pay.gov](http://pay.gov) along with the $400 filing fee. The organization does not need to include the “Form 1023-EZ Eligibility Worksheet.”

IV. Public Charity or Private Foundation?

Every organization that qualifies for tax exemption as an organization described in 501(c)(3) is a private foundation unless it falls into one of the categories specifically excluded from the definition of that term (refer to I.R.C. § 509(a) in the appendix). Organizations that fall into the excluded categories are considered public charities. Private foundations are considered in need of additional government scrutiny because private persons rather than the public control them. Philadelphia VIP clients will generally be public charities.

Even if an organization falls within one of the categories excluded from the definition of private foundation, it will be presumed to be a private foundation unless it gives notice to the IRS that it is not a private foundation.\(^{55}\) Generally, an organization uses Form 1023 or Form 1023-EZ to notify the IRS that it is a public charity. Newly created organizations may seek public charity status based on their reasonably anticipated sources of support for their first 5 taxable years.

A public charity is a charitable organization that (a) has broad public support,

\(^{54}\) I.R.C. § 509

\(^{55}\) I.R.C. § 508(b).
(b) actively functions to support another public charity, or (c) is devoted exclusively to testing for public safety. Many public charities rely on contributions from the general public. Private foundations are charitable organizations that do not qualify as public charities. In practice, they usually are nonprofits that were established with funds from a single source or specific sources, such as family or corporate money.

For a more detailed discussion of private foundations (and public charities), please reference the IRS’s discussion on the matter by following the link on the IRS website footnoted below.  

V. ANNUAL REPORTING REQUIREMENTS

Generally, the IRS requires tax-exempt organizations to annually file IRS Form 990. Please provide your client with the link to the IRS’s Staying Exempt Guide which has much useful information; including information on the Form 990. Please also provide the link to the Pennsylvania Attorney General Office’s compliance guide for assistance on state requirements for staying tax-exempt. Both of these resources can be found in the Nonprofit Client Resources section of the VIP website.

While it is not required by Form 1023 or to qualify under 501(c)(3), please be aware that Form 990 asks if the organization has a document retention policy and a whistleblower policy. It is not necessary for an organization to adopt these policies prior to operations, but it is a best practice to adopt these policies after an organization’s operations begin.

56 http://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Life-Cycle-of-a-Public-Charity; and


Pennsylvania Solicitation of Funds for Charitable Purposes Act

Thirty-eight (38) states and the District of Columbia have enacted statutes that require organizations to register before soliciting a state’s residents for charitable contributions. The Pennsylvania Solicitation of Funds for Charitable Purposes Act (the “Solicitation Act”) requires that organizations register (and renew their registration each year) before soliciting charitable contributions in Pennsylvania.

I. Does My Charitable Organization Need to Register?

The Solicitation Act requires all organizations soliciting funds for a charitable purpose to file registration statements with the Department of State's Bureau of Charitable Organizations before they solicit contributions in Pennsylvania unless they are specifically excluded or exempt from the Act. For a list of exclusions and exemptions, please reference the Solicitation Act Exclusions and Exemptions Table in the appendix.

Even if an organization is exempt from the registration requirements under the Solicitation Act, the organization may be required to file an Institution of Purely Public Charity Registration Statement (included in appendix) required annually by the Institutions of Purely Public Charity Act unless it meets one of the two exemptions listed below:

1. Bona fide duly constituted religious institutions and such separate groups or corporations which form an integral part of a religious institution and are exempt from filing an annual IRS 990 Return; or

2. An institution of purely public charity which receives contributions of less than $25,000 per year provided that the institution's program service revenue does not equal or exceed $5,000,000.

59 This guide focuses upon Pennsylvania law only. For a listing of states requiring charitable solicitation registration, along with each state’s requirements, please visit http://www.multistatefiling.org/ and www.nasconet.org. If the organization is going to solicit nationally, please be sure to refer to these websites. Caveat: A recent check of one of these websites found many inaccuracies. VIP does not know how frequently these websites are updated. Therefore, they should not be relied upon as authoritative guidance.

60 10 P. S. § 162.1 et seq.

61 For a more in depth explanation please visit the Department of State’s Institutions of Purely Public Charity Act information page (http://www.portal.state.pa.us/portal/server.pt?open=514&objID=571843&mode=2).

62 10 P. S. § 371 et seq.
The Solicitation Act also requires professional solicitors and fundraising counsels to register prior to providing services related to solicitations in Pennsylvania.

A “solicitation” is any direct or indirect request for a contribution where a representation is made that the contribution will be used for a charitable purpose. It includes, among other things, oral requests made in person, by telephone, radio, television, or other communication media; written requests; and sales of advertising space, chances, food, magazines, tickets, or other items of value.\(^\text{63}\)

A “contribution” is any promise, grant, or pledge of money, property, or other item in response to a solicitation, including the promise to pay for a performance, event, good or service.\(^\text{64}\)

II. WHAT DOES MY CHARITABLE ORGANIZATION NEED TO DO TO REGISTER (AND RENEW)?

If the organization is soliciting contributions from Pennsylvania residents and is not excluded or exempted, it must file a Form BCO-10\(^\text{65}\) registration statement for its most recently completed fiscal year; a copy of its IRS Form 990\(^\text{66}\); and the appropriate financial statements\(^\text{67}\) within 30 days of receiving more than $25,000 in gross national contributions or prior to compensating someone (including an employee or independent contractor) to solicit contributions from Pennsylvania residents. An organization that does not file Form 990 must submit Form BCO-23 (included in appendix).

Organizations receiving more than $25,000 but less than $50,000 have the option of filing internally prepared, compiled, reviewed, or audited financial statements. Compiled financial statements must be prepared by a licensed certified public accountant or licensed public accountant. Organizations receiving between $50,000 and less than $100,000 can file compiled, reviewed or audited financial statements. Organizations receiving between $100,000 and less than $300,000 can file reviewed or audited financial statements, and organizations receiving $300,000 and over must file audited financial statements.\(^\text{68}\) Reviews and audits must be performed by an independent, licensed public accountant or an independent, licensed certified public accountant. For a detailed

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\(^{63}\) See 10 P. S. § 162.3.

\(^{64}\) Id.

\(^{65}\) Form BCO-10 can be found in the appendix, as well as the Department of State Bureau of Corporations and Charitable Organization’s website (http://www.portal.state.pa.us/portal/server.pt/community/charities/12444/x_registration_information_for_charitable_organizations/571847#packet).

\(^{66}\) 10 P. S. § 162.5(b)(6).

\(^{67}\) 10 P. S. § 162.5(e).

\(^{68}\) 10 P. S. § 162.5(f).
chart concerning the financial filing requirements, please review the Form BCO-10 Instructions and Form BCO-10 included in the appendix.

First-time registrants must also submit copies of their formation documents, such as articles of incorporation and bylaws. Annual renewals must be filed 135 days after completion of the charitable organization’s fiscal year. However, the Solicitation Act permits up to a 180-day extension to file annual renewals, and it is the current practice of the Bureau to grant the extensions automatically upon registration. Proposed legislation would change the BCO-10 annual renewal filing due date to be the same due date that applies to an organization’s Form 990 filing with the IRS.

69 10 P. S. § 162.5(c).

70 10 P. S. § 162.5(k) (Although extension requests are not required by the Bureau currently, this administrative practice may change in the future.)
APPENDIX

Statutes

I.R.C. § 501(c)(3)
15 Pa.C.S. § 5110
15 Pa.C.S. § 5301
15 Pa.C.S. § 5302
15 Pa.C.S. § 5303
15 Pa.C.S. § 5305
15 Pa.C.S. § 5306
15 Pa.C.S. § 5307
15 Pa.C.S. § 5308
15 Pa.C.S. § 5310
15 Pa.C.S. § 5507
54 Pa.C.S. § 303
54 Pa.C.S. § 503
I.R.C. § 501(h)
I.R.C. § 508
I.R.C. § 509

The Organization

Model Articles of Incorporation
Model Nonprofit Bylaws

501(c)(3) Organization

IRS Exempt Organization Determination Process Flow Chart
IRS Form 1023 Questionnaire

The Pennsylvania Solicitation of Funds for Charitable Purposes Act

The Solicitations Act Exclusions and Exemptions Table
Institution of Purely Public Charity Registration
The Solicitations Act Form BCO-10 Instructions and Form
The Solicitations Act Form BCO-23 Instructions and Form
I.R.C. § 501(c)(3)

Exemption from tax on corporations, certain trusts, etc.

*...*...*

(c) List of exempt organizations

The following organizations are referred to in subsection (a):

*...*...*

(3) Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.
OTHER RELEVANT STATUTES

PENNSYLVANIA CONSOLIDATED STATUTES

15 Pa.C.S. § 5110. Annual report

(a) GENERAL RULE.-- On or before April 30 of each year, a corporation described in subsection (b) that has effected any change in its officers during the preceding calendar year shall file in the Department of State a statement executed by the corporation and setting forth:

(1) The name of the corporation.

(2) The post office address, including street and number, if any, of its principal office.

(3) The names and titles of the persons who are its principal officers.

(b) APPLICATION.-- This section shall apply to every:

(1) domestic nonprofit corporation that has been incorporated after December 31, 1972;

(2) domestic nonprofit corporation that has made any filing under the Nonprofit Corporation Law of 1933 in the Department of State as amended by the act of June 19, 1969 (P.L. 86, No. 31);

(3) domestic nonprofit corporation that has filed a statement of summary of record with the Department of State after December 31, 1972; and

(4) qualified foreign nonprofit corporation.

(c) SEPARATE CHANGE IN REGISTERED OFFICE REQUIRED.-- A filing under this section shall not constitute compliance with section 5507(b) (relating to registered office).

(d) FEE.-- No fee shall be charged for effecting a filing under this section.

(e) CROSS REFERENCE.-- See section 134 (relating to docketing statement).

15 Pa.C.S. § 5301. Purposes

(a) GENERAL RULE.-- Except as provided in subsection (b), corporations may be incorporated under this article for any lawful purpose or purposes, including, but not
limited to, any one or more of the following or similar purposes: athletic; any lawful business purpose to be conducted on a not-for-profit basis; beneficial; benevolent; cemetery; charitable; civic; control of fire; cultural; educational; encouragement of agriculture or horticulture; fraternal; health; literary; missionary; musical; mutual improvement; patriotic; political; prevention of cruelty to persons or animals; professional, commercial, industrial, trade, service or business associations; promotion of the arts; protection of natural resources; religious; research; scientific and social.

(b) EXCEPTION.-- Except as otherwise provided by Title 40 (relating to insurance) or the act of December 29, 1972 (P.L. 1701, No. 364), known as the Health Maintenance Organization Act, a corporation may not be incorporated under this article for the purpose of engaging in the business of writing insurance or reinsurance as principal.

15 Pa.C.S. § 5302. Number and qualifications of incorporators

One or more corporations for profit or not-for-profit or natural persons of full age may incorporate a nonprofit corporation under the provisions of this subpart.

15 Pa.C.S. § 5303. Corporate name

(a) GENERAL RULE. -- The corporate name may be in any language, but must be expressed in Roman letters or characters or Arabic or Roman numerals.

(b) DUPLICATE USE OF NAMES. -- The corporate name shall be distinguishable upon the records of the Department of State from:

(1) The name of any other domestic corporation for profit or not-for-profit which is either in existence or for which articles of incorporation have been filed but have not yet become effective, or of any foreign corporation for profit or not-for-profit which is either authorized to do business in this Commonwealth or for which an application for a certificate of authority has been filed but which has not yet become effective, or the name of any association registered at any time under 54 Pa.C.S. Ch. 5 (relating to corporate and other association names), unless the other association:

   (i) has stated that it is about to change its name, or to cease to do business, or is being wound up, or is a foreign association about to withdraw from doing business in this Commonwealth, and the statement and a written consent to the adoption of the name executed by the other association is filed in the Department of State;

   (ii) has filed with the Department of Revenue a certificate of out of existence, or has failed for a period of three successive years to file with the Department of Revenue a report or return required by law and the fact of such
failure has been certified by the Department of Revenue to the Department of State:

(iii) has abandoned its name under the laws of its jurisdiction of incorporation, by amendment, merger, consolidation, division, expiration, dissolution or otherwise, without its name being adopted by a successor in a merger, consolidation, division or otherwise, and an official record of that fact, certified as provided by 42 Pa.C.S. §5328 (relating to proof of official records), is presented by any person to the department; or

(iv) has had the registration of its name under 54 Pa.C.S. Ch. 5 terminated and, if the termination was effected by operation of 54 Pa.C.S. § 504 (relating to effect of failure to make filings), the application for the use of the name is accompanied by a verified statement stating that at least 30 days' written notice of intention to appropriate the name was given to the delinquent association at its last known place of business and that, after diligent search by the affiant, the affiant believes the association to be out of existence.

(2) A name the exclusive right to which is at the time reserved by any other person whatsoever in the manner provided by statute. A name shall be rendered unavailable for corporate use by reason of the filing in the Department of State of any assumed or fictitious name required by 54 Pa.C.S. Ch. 3 (relating to fictitious names) to be filed in the department only if and to the extent expressly so provided in that chapter.

(c) REQUIRED APPROVALS OR CONDITIONS.--

(1) The corporate name shall not imply that the corporation is:

(i) A governmental agency of the Commonwealth or of the United States.

(ii) A bank, bank and trust company, savings bank, private bank or trust company, as defined in the act of November 30, 1965 (P.L. 847, No. 356), known as the Banking Code of 1965.

(iii) An insurance company.

(iv) A public utility as defined in 66 Pa.C.S. § 102 (relating to definitions).

(v) A credit union. See 17 Pa.C.S. § 104 (relating to prohibition on use of words "credit union," etc.).

(2) The corporate name shall not contain:

(i) The word "college," "university" or "seminary" when used in such a
way as to imply that it is an educational institution conforming to the standards and qualifications prescribed by the State Board of Education, unless there is submitted a certificate from the Department of Education certifying that the corporation or proposed corporation is entitled to use that designation.

(ii) Words that constitute blasphemy, profane cursing or swearing or that profane the Lord's name.

(iii) The words "engineer" or "engineering" or "surveyor" or "surveying" or any other word implying that any form of the practice of engineering or surveying as defined in the act of May 23, 1945 (P.L. 913, No. 367), known as the Professional Engineers Registration Law, is provided unless at least one of the incorporators of a proposed corporation or the directors of the existing corporation has been properly registered with the State Registration Board for Professional Engineers in the practice of engineering or surveying and there is submitted to the department a certificate from the board to that effect.

(iv) The words "Young Men's Christian Association" or any other words implying that the corporation is affiliated with the State Young Men's Christian Association of Pennsylvania unless the corporation is incorporated for the purpose of the improvement of the spiritual, mental, social and physical condition of young people, by the support and maintenance of lecture rooms, libraries, reading rooms, religious and social meetings, gymnasiums, and such other means and services as may conduce to the accomplishment of that object, according to the general rules and regulations of such State association.

(v) The words "architect" or "architecture" or any other word implying that any form of the practice of architecture as defined in the act of December 14, 1982 (P.L. 1227, No. 281), known as the Architects Licensure Law, is provided unless at least one of the incorporators of a proposed corporation or the directors of the existing corporation has been properly registered with the Architects Licensure Board in the practice of architecture and there is submitted to the department a certificate from the board to that effect.

(vi) The word "cooperative" or an abbreviation thereof unless the corporation is a cooperative corporation.

(d) OTHER RIGHTS UNAFFECTED. -- This section shall not abrogate or limit the law as to unfair competition or unfair practices, nor derogate from the common law, the principles of equity or the provisions of Title 54 (relating to names) with respect to the right to acquire and protect trade names. Subsection (b) shall not apply if the applicant files in the department a certified copy of a final order of a court of competent jurisdiction establishing the prior right of the applicant to the use of a name in this Commonwealth.
(e) REMEDIES FOR VIOLATION OF SECTION.-- The use of a name in violation of this section shall not vitiate or otherwise affect the corporate existence, but any court having jurisdiction may enjoin the corporation from using or continuing to use a name in violation of this section upon the application of:

(1) the Attorney General, acting on his own motion or at the instance of any administrative department, board or commission of this Commonwealth; or

(2) any person adversely affected.

(f) CROSS REFERENCES.-- See sections 135(e) (relating to distinguishable names) and 5106(b)(2) (relating to limited uniform application of subpart).

15 Pa.C.S. § 5305. Reservation of corporate name

(a) GENERAL RULE.-- The exclusive right to the use of a corporate name may be reserved by any person. The reservation shall be made by delivering to the Department of State an application to reserve a specified corporate name, executed by the applicant. If the department finds that the name is available for corporate use, it shall reserve the name for the exclusive use of the applicant for a period of 120 days.

(b) TRANSFER OF RESERVATION.-- The right to exclusive use of a specified corporate name reserved under subsection (a) may be transferred to any other person by delivering to the department a notice of the transfer, executed by the person who reserved the name, and specifying the name and address of the transferee.

(c) CROSS REFERENCES.-- See sections 134 (relating to docketing statement) and 6131 (relating to registration of name).

15 Pa.C.S. § 5306. Articles of incorporation

(a) GENERAL RULE.-- Articles of incorporation shall be signed by each of the incorporators and shall set forth in the English language:

(1) The name of the corporation, unless the name is in a foreign language in which case it shall be set forth in Roman letters or characters or Arabic or Roman numerals.

(2) Subject to section 109 (relating to name of commercial registered office provider in lieu of registered address), the address, including street and number, if any, of its initial registered office in this Commonwealth.

(3) A brief statement of the purpose or purposes for which the corporation is incorporated.
(4) A statement that the corporation is one which does not contemplate pecuniary gain or profit, incidental or otherwise.

(5) A statement that the corporation is incorporated under the provisions of the Nonprofit Corporation Law of 1988.

(6) If the corporation is a membership corporation, a statement whether the corporation is to be organized upon a nonstock basis or a stock share basis, and, if it is to be organized on a stock share basis:

   (i) The aggregate number of shares that the corporation shall have authority to issue. It shall not be necessary to set forth in the articles the designations of the classes of shares of the corporation or the maximum number of shares of each class that may be issued.

   (ii) A statement of the voting rights, designations, preferences, limitations and special rights in respect of the shares of any class or any series of any class, to the extent that they have been determined.

   (iii) A statement of any authority vested in the board of directors or other body to divide by provision in the bylaws the authorized and unissued shares into classes or series, or both, and to determine for any class or series its voting rights, designations, preferences, limitations and special rights.

(7) If the corporation is to have no members, a statement to that effect.

(8) The name and address, including street and number, if any, of each of the incorporators.

(9) The term for which the corporation is to exist, if not perpetual.

(10) If the articles are to be effective on a specified date, the hour, if any, and the month, day and year of the effective date.

(11) Any other provisions that the incorporators may choose to insert if:

   (i) any provision of this subpart authorizes or requires provisions pertaining to the subject matter thereof to be set forth in the articles or bylaws of a nonprofit corporation or in an agreement or other instrument; or

   (ii) such provisions are not inconsistent with this subpart and relate to the purpose or purposes of the corporation, the management of its business or
affairs or the rights, powers or duties of its members, security holders, directors, members of an other body or officers.

(b) PAR VALUE.-- The articles may, but need not, set forth a par value for any authorized shares or class or series of shares.

(c) WRITTEN CONSENT TO NAMING DIRECTORS.-- The naming of directors in articles of incorporation shall constitute an affirmation that such directors have consented in writing to serve as such.

15 Pa.C.S. § 5307. Advertisement

The incorporators or the corporation shall officially publish a notice of intention to file or the filing of articles of incorporation. The notice may appear prior to or after the day the articles of incorporation are filed in the department, and shall set forth briefly:

(1) The name of the proposed corporation.

(2) A statement that the corporation is to be or has been incorporated under the provisions of this subpart.

15 Pa.C.S. § 5308. Filing of articles

(a) GENERAL RULE.-- The articles of incorporation shall be delivered to the department for filing.

(b) CROSS REFERENCE.-- See sections 134 (relating to docketing statement) and 135 (relating to requirements to be met by filed documents).

15 Pa.C.S. § 5310. Organization meeting

(a) GENERAL RULES.-- After the corporate existence begins, an organization meeting of the initial directors, or if directors are not named in the articles, of the incorporators, shall be held, within or without this Commonwealth, for the purpose of adopting bylaws, which they shall have authority to do at the meeting; of electing directors, if directors are not named in the articles; and of transacting other business as may come before the meeting. A bylaw adopted at the organization meeting of directors or incorporators shall be deemed to be a bylaw adopted by the members for the purposes of this subpart and of any other provision of law.

(b) CALL OF AND ACTION AT MEETING.-- The meeting may be held at the call of any director or, if directors are not named in the articles, of any incorporator, who shall give at least five days' notice of the meeting to each other director or incorporator. The notice shall set forth the time and place of the meeting. For the purposes of this section, an incorporator may act in person, by consent or by proxy signed by him or his attorney
in fact.

(c) DEATH OR INCAPACITY OF DIRECTORS OR INCORPORATORS.-- If a designated director or an incorporator dies or is for any reason unable to act at the meeting, the other or others may act. If there is no other designated director or incorporator able to act, any person for whom an incorporator was acting as agent may act or appoint another to act in his stead.

15 Pa.C.S. § 5507. Registered office

(a) GENERAL RULE.-- Every nonprofit corporation shall have and continuously maintain in this Commonwealth a registered office which may, but need not, be the same as its place of business.

(b) STATEMENT OF CHANGE OF REGISTERED OFFICE.-- After incorporation, a change of the location of the registered office may be authorized at any time by the board of directors or other body. Before the change of location becomes effective, the corporation either shall amend its articles under the provisions of this subpart to reflect the change in location or shall file in the Department of State a statement of change of registered office executed by the corporation, setting forth:

(1) The name of the corporation.

(2) The address, including street number, if any, of its then registered office.

(3) The address, including street number, if any, to which the registered office is to be changed.

(4) A statement that the change was authorized by the board of directors or other body.

(c) ALTERNATIVE PROCEDURE.-- A corporation may satisfy the requirements of this subpart concerning the maintenance of a registered office in this Commonwealth by setting forth in any document filed in the department under any provision of this subpart that permits or requires the statement of the address of its then registered office, in lieu of that address, the statement authorized by section 109(a) (relating to name of commercial registered office provider in lieu of registered address).

(d) CROSS REFERENCE.-- See section 134 (relating to docketing statement).

54 Pa.C.S. § 303. Scope of chapter. (Fictitious name.)

(a) VOLUNTARY REGISTRATION.-- Any one or more entities may elect to register a fictitious name under this chapter for the purpose of establishing a public record of their relationship to any business or other activity carried on under or through such fictitious name.
name.

(b) MANDATORY REGISTRATION.—

(1) Except as provided in paragraph (2), any entity which either alone or in combination with any other entity conducts any business in this Commonwealth under or through any fictitious name shall register the fictitious name under this chapter and shall amend such registration whenever necessary to maintain the accuracy of the information disclosed thereby.

(2) Paragraph (1) shall not apply to any:

   (i) Nonprofit or professional activities.
   
   (ii) Activities which are expressly or impliedly prohibited by law from being carried on under a fictitious name.
   
   
   (iv) Unincorporated association.
   

(c) OTHER RESTRICTIONS UNAFFECTED.—The registration of a fictitious name under this chapter shall not be a defense to any action or proceeding brought to enforce any law which expressly or impliedly prohibits any activity from being carried on under a fictitious name.

54 Pa.C.S. § 503. Decennial filings required

(a) GENERAL RULE.—Except as otherwise provided in this section, every corporation or other association whose name is registered under this chapter shall, during the year 2001 and every tenth year thereafter, file in the department a report, which shall be executed by the corporation or other association, and shall set forth:

   (1) The name of the corporation or other association.

   (2) The address, including street and number, if any, of its registered or other office.

   (3) A statement that the corporation or other association continues to exist.
(4) Such other information necessary to the administration of this chapter as the department may specify by regulation.

(b) EXCEPTIONS.-- Subsection (a) shall not apply to any of the following:

(1) A corporation or other association that during the ten years ending on December 31 of the year in which a filing would otherwise be required under subsection (a) has made any filing in the department pursuant to a provision of this title or 15 Pa.C.S. (relating to corporations and unincorporated associations) other than:

   (i) a report required by subsection (a); or

   (ii) a filing under:

      (A) 15 Pa.C.S. § 1305 (relating to reservation of corporate name);

      (B) 15 Pa.C.S. § 5305 (relating to reservation of corporate name);

      (C) 15 Pa.C.S. § 8203(b) (relating to name);

      (D) 15 Pa.C.S. § 8505(b) (relating to name); or

      (E) 15 Pa.C.S. § 8905(b) (relating to name).

(2) A corporation whose name is registered pursuant to section 501(a)(4) (relating to register established).

(3) A corporation that has had officer information forwarded to the department by the Department of Revenue during the preceding ten years under 15 Pa.C.S. § 1110 (relating to annual report information).

   (b.1) Deleted by amendment. Act 34 of 2001, June 22, P.L. 418, No. 34, § 3, effective in 60 days.

(c) EXEMPTIONS.-- An association shall be exempt from the 2001 decennial filing if the association made a filing:

(1) After December 31, 1989, and before January 1, 1992, pursuant to a provision of this title or 15 Pa.C.S. other than a filing under:

   (i) 15 Pa.C.S. § 1305;

   (ii) 15 Pa.C.S. § 5305;

   (iii) 15 Pa.C.S. § 8203(b);
(iv) 15 Pa.C.S. § 8505(b); or

(v) 15 Pa.C.S. § 8905(b).

(2) Under this section during the year 2000.

(d) CROSS REFERENCES.-- See 15 Pa.C.S. §§ 134 (relating to docketing statement) and 135 (relating to requirements to be met by filed documents).

**INTERNAL REVENUE CODE**

**I.R.C. § 501(h) Expenditures by public charities to influence legislation.**

(1) General rule. In the case of an organization to which this subsection applies, exemption from taxation under subsection (a) shall be denied because a substantial part of the activities of such organization consists of carrying on propaganda, or otherwise attempting, to influence legislation, but only if such organization normally--

(A) makes lobbying expenditures in excess of the lobbying ceiling amount for such organization for each taxable year, or

(B) makes grass roots expenditures in excess of the grass roots ceiling amount for such organization for each taxable year.

(2) Definitions. For purposes of this subsection—

(A) Lobbying expenditures. The term "lobbying expenditures" means expenditures for the purpose of influencing legislation (as defined in section 4911(d) [IRC Sec. 4911(d)]).

(B) Lobbying ceiling amount. The lobbying ceiling amount for any organization for any taxable year is 150 percent of the lobbying nontaxable amount for such organization for such taxable year, determined under section 4911 [IRC Sec. 4911].

(C) Grass roots expenditures. The term "grass roots expenditures" means expenditures for the purpose of influencing legislation (as defined in section 4911(d) [IRC Sec. 4911(d)] without regard to paragraph (1)(B) thereof).

(D) Grass roots ceiling amount. The grass roots ceiling amount for any organization for any taxable year is 150 percent of the grass roots nontaxable amount for such organization for such taxable year, determined under section 4911 [IRC Sec. 4911].
(3) Organizations to which this subsection applies. This subsection shall apply to any organization which has elected (in such manner and at such time as the Secretary may prescribe) to have the provisions of this subsection apply to such organization and which, for the taxable year which includes the date the election is made, is described in subsection (c)(3) and—

(A) is described in paragraph (4), and

(B) is not a disqualified organization under paragraph (5).

(4) Organizations permitted to elect to have this subsection apply. An organization is described in this paragraph if it is described in—

(A) section 170(b)(1)(A)(ii) [IRC Sec. 170(b)(1)(A)(ii)] (relating to educational institutions),

(B) section 170(b)(1)(A)(iii) [IRC Sec. 170(b)(1)(A)(iii)] (relating to hospitals and medical research organizations),

(C) section 170(b)(1)(A)(iv) [IRC Sec. 170(b)(1)(A)(iv)] (relating to organizations supporting government schools),

(D) section 170(b)(1)(A)(vi) [IRC Sec. 170(b)(1)(A)(vi)] (relating to organizations publicly supported by charitable contributions),

(E) section 509(a)(2) [IRC Sec. 509(a)(2)] (relating to organizations publicly supported by admissions, sales, etc.), or

(F) section 509(a)(3) [IRC Sec. 509(a)(3)] (relating to organizations supporting certain types of public charities) except that for purposes of this subparagraph, section 509(a)(3) [IRC Sec. 509(a)(3)] shall be applied without regard to the last sentence of section 509(a) [IRC Sec. 509(a)].

(5) Disqualified organizations. For purposes of paragraph (3) an organization is a disqualified organization if it is—

(A) described in section 170(b)(1)(A)(i) [IRC Sec. 170(b)(1)(A)(i)] (relating to churches),

(B) an integrated auxiliary of a church or of a convention or association of churches, or

(C) a member of an affiliated group of organizations (within the meaning of section 4911(f)(2) [IRC Sec. 4911(f)(2)]) if one or more members of such group is described in subparagraph (A) or (B).
(6) Years for which election is effective. An election by an organization under this subsection shall be effective for all taxable years of such organization which—

(A) end after the date the election is made, and

(B) begin before the date the election is revoked by such organization (under regulations prescribed by the Secretary).

(7) No effect on certain organizations. With respect to any organization for a taxable year for which—

(A) such organization is a disqualified organization (within the meaning of paragraph (5)), or

(B) an election under this subsection is not in effect for such organization,

nothing in this subsection or in section 4911 [IRC Sec. 4911] shall be construed to affect the interpretation of the phrase, "no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation," under subsection (c)(3).

(8) Affiliated organizations. For rules regarding affiliated organizations, see section 4911(f) [IRC Sec. 4911(f)].

I.R.C. § 508. Special rules with respect to section 501(c)(3) organizations.

(a) New organizations must notify Secretary that they are applying for recognition of section 501(c)(3) status. Except as provided in subsection (c), an organization organized after October 9, 1969, shall not be treated as an organization described in section 501(c)(3) [IRC Sec. 501(c)(3)]--

(1) unless it has given notice to the Secretary, in such manner as the Secretary may by regulations prescribe, that it is applying for recognition of such status, or

(2) for any period before the giving of such notice, if such notice is given after the time prescribed by the Secretary by regulations for giving notice under this subsection.

(b) Presumption that organizations are private foundations. Except as provided in subsection (c), any organization (including an organization in existence on October 9, 1969) which is described in section 501(c)(3) [IRC Sec. 501(c)(3)] and which does not notify the Secretary, at such time and in such manner as the Secretary may by regulations prescribe, that it is not a private foundation shall be presumed to be a private foundation.

(c) Exceptions.
(1) Mandatory exceptions. Subsections (a) and (b) shall not apply to--

(A) churches, their integrated auxiliaries, and conventions or associations of churches, or

(B) any organization which is not a private foundation (as defined in section 509(a) [IRC Sec. 509(a)]) and the gross receipts of which in each taxable year are normally not more than $ 5,000.

(2) Exceptions by regulations. The Secretary may by regulations exempt (to the extent and subject to such conditions as may be prescribed in such regulations) from the provisions of subsection (a) or (b) or both—

(A) educational organizations described in section 170(b)(1)(A)(ii) [IRC Sec. 170(b)(1)(A)(ii)], and

(B) any other class of organizations with respect to which the Secretary determines that full compliance with the provisions of subsections (a) and (b) is not necessary to the efficient administration of the provisions of this title relating to private foundations.


(a) General rule. For purposes of this title, the term "private foundation" means a domestic or foreign organization described in section 501(c)(3) [IRC Sec. 501(c)(3)] other than—

(1) an organization described in section 170(b)(1)(A) [IRC Sec. 170(b)(1)(A)] (other than in clauses (vii) and (viii));

(2) an organization which--

(A) normally receives more than one-third of its support in each taxable year from any combination of--

(i) gifts, grants, contributions, or membership fees, and

(ii) gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities, in an activity which is not an unrelated trade or business (within the meaning of section 513 [IRC Sec. 513]), not including such receipts from any person, or from any bureau or similar agency of a governmental unit (as described in section 170(c)(1) [IRC Sec. 170(c)(1)]), in any taxable year to the extent such receipts exceed the greater of $ 5,000 or 1 percent of the organization's support in such taxable year,
from persons other than disqualified persons (as defined in section 4946 [IRC Sec. 4946]) with respect to the organization, from governmental units described in section 170(c)(1) [IRC Sec. 170(c)(1)], or from organizations described in section 170(b)(1)(A) [IRC Sec. 170(b)(1)(A)] (other than in clauses (vii) and (viii)), and

(B) normally receives not more than one-third of its support in each taxable year from the sum of--

(i) gross investment income (as defined in subsection (e)) and

(ii) the excess (if any) of the amount of the unrelated business taxable income (as defined in section 512 [IRC Sec. 512]) over the amount of the tax imposed by section 511 [IRC Sec. 511];

(3) an organization which—

(A) is organized, and at all times thereafter is operated, exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more specified organizations described in paragraph (1) or (2),

(B) is—

(i) operated, supervised, or controlled by one or more organizations described in paragraph (1) or (2),

(ii) supervised or controlled in connection with one or more such organizations, or

(iii) operated in connection with one or more such organizations, and

(C) is not controlled directly or indirectly by one or more disqualified persons (as defined in section 4946 [IRC Sec. 4946]) other than foundation managers and other than one or more organizations described in paragraph (1) or (2); and

(4) an organization which is organized and operated exclusively for testing for public safety.

For purposes of paragraph (3), an organization described in paragraph (2) shall be deemed to include an organization described in section 501(c)(4), (5), or (6) [IRC Sec. 501(c)(4), (5), or (6)] which would be described in paragraph (2) if it were an organization described in section 501(c)(3) [IRC Sec. 501(c)(3)].
[Please note that I.R.C. § 509(a)(3) supporting organizations are subject to additional requirements. Supporting organization status is complex and should be reviewed by qualified tax counsel.]
[MODEL ARTICLES OF INCORPORATION]

[These Articles of Incorporation should not be deemed legal advice and should not be acted upon without prior consultation with appropriate professional advisors.]

COMMONWEALTH OF PENNSYLVANIA

ARTICLES OF INCORPORATION - DOMESTIC NONPROFIT CORPORATION

In compliance with the requirements of 15 Pa. C.S. § 5306 (relating to articles of incorporation), the undersigned, desiring to incorporate a nonprofit corporation, [state] [states] that:

1. Name. The name of the corporation is:

   [Name of Corporation]

2. Address. The address of the corporation’s initial registered office in this Commonwealth is:

   [Number and Street Address
   City, State  Zip]

   The county of venue is [name of county] County.

3. Purposes and Operation. The corporation is incorporated under the Pennsylvania Nonprofit Corporation Law of 1988 (as amended) exclusively for [Insert one or more of the following: religious, charitable, scientific, literary, and educational] purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1986, or the corresponding provisions of any future United States Internal Revenue Law (the “Code”). [The corporation’s purposes shall include, but not be limited to: insert more specific purposes if desired; avoid broad purposes authorized by Pennsylvania statute.]

   No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its [Insert one or more of the following: trustees, directors, officers, members], or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of its exempt purposes. No substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting, to influence legislation. The corporation shall not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any activities not permitted to be carried on by a corporation (a) exempt from federal
income tax under section 501(a) of the Code as an organization described in section 501(c)(3) of the Code, or (b) contributions to which are deductible under section 170(a) of the Code as being to an organization referred to in section 170(c)(2) of the Code.

4. Nonprofit. The corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

5. Private Foundation. Notwithstanding any other provisions in these articles, at all times when the corporation is a private foundation within the meaning of section 509 of the Code, it shall be subject to the following additional restrictions:

The corporation shall distribute its income for each tax year at such time and in such manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Code.

The corporation shall not engage in any act of self-dealing as defined in section 4941(d) of the Code.

The corporation shall not retain any excess business holdings as defined in section 4943(c) of the Code.

The corporation shall not make any investments in such manner as to subject it to tax under section 4944 of the Code.

The corporation shall not make any taxable expenditures as defined in section 4945(d) of the Code.

6. Nonstock. The corporation is organized upon a nonstock basis.

7. Incorporator[s]. The name and address of the incorporator is:
or [The names and addresses of the incorporators are:]

8. Dissolution. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the exempt purposes of the corporation or to one or more organizations organized and operated exclusively for [Insert one or more of the following, as appropriate: religious, charitable, scientific, literary, or educational] purposes which at the time qualify as exempt organizations under section 501(c)(3) of the Code, as the Board of Directors shall determine. Any assets not so distributed by the Board of Directors shall be distributed by the Court of Common Pleas of the county in which the corporation’s principal office is then located exclusively for the corporation’s exempt purposes. The use of any surplus funds for private inurement to any person in the event of a sale of the assets or dissolution of the corporation is expressly prohibited.
9. **Members.** The corporation shall have no members. [If the corporation will have members, then substitute the following: The corporation may have members as provided in its Bylaws.]

10. **Unincorporated Association.** The incorporators constitute a majority of the members of the committee authorized to incorporate
____________________ [Insert name of unincorporated association] by the requisite vote required by the organic law of the association for the amendment of such organic law. [If the corporation is the successor to an unincorporated association, include this section. If not applicable, delete.]

11. **Effective Date.** These Articles of Incorporation shall be effective _______________. [If Articles are to be effective on a prospective date, include this section. If not applicable, delete.]

12. **No Discrimination.** The corporation shall not discriminate against applicants and students on the basis of race, color, or national or ethnic origin. [If the organization is a private school, the Articles must contain this provision. If not applicable, delete.]

Date:____________________

________________________________________
[Name], Incorporator

________________________________________
[Name], Incorporator

[Drafter’s Notes: Under Pennsylvania law, the term of the corporation is automatically perpetual unless otherwise specified in the articles of incorporation. It is not necessary to recite the perpetual term in the articles. A lesser term is not recommended. But if a lesser term is desired, the term should be specified. Bracketed bold text requires choices to be made. Remove brackets, bold font, and this note from final document prior to filing with Corporation Bureau.]
BYLAWS

of

[Insert corporate name]
A Pennsylvania Nonprofit Corporation

ARTICLE 1- DEFINITIONS

Section 1.1. Definitions.

The following terms used in these Bylaws shall have the meanings set forth below.


“Board” means the Board of Directors of the Corporation.


“Corporation” means [Insert corporate name].

“Director” means an individual serving on the Board.

ARTICLE 2- MEMBERS

Section 2.1. No Members.

The Corporation shall have no members within the meaning of the Act. The Corporation may designate individuals or organizations that contribute money, property, services, or other value to the Corporation as contributor members or as honorary members in recognition of their contributions. However, such contributors shall have no voting rights.
ARTICLE 3- BOARD OF DIRECTORS

Section 3.2.  Board of Directors.

The business and affairs of the Corporation shall be managed under the
direction of the Board. The powers of the Corporation shall be exercised by, or under the
authority of, the Board except as otherwise provided by statute, the Articles of
Incorporation, these Bylaws, or the Board.

Section 3.3.  Qualifications of Directors.

Each Director shall be a natural person at least 18 years of age who need not be a resident of Pennsylvania. In electing Directors, the Board shall consider each
candidate’s willingness to accept responsibility for governance including availability to
participate actively in Board activities, areas of interest and expertise, and experience in
organizational and community activities.

Section 3.4.  Number and Election of Directors.

[If the number of Directors is not fixed:] The Board shall determine the
total number of Directors to serve at any time.

[If the Board is to be classified:] The Board shall consist of _________ ( ) persons, divided into three classes, each consisting of _____ individuals. The term of
office of one class shall expire in each year. Each class shall be elected by the Board for
terms of three (3) years, except in case of a vacancy in any class, in which case the
vacancy shall be filled for the balance of the term of the class. However, to achieve the
initial classification of the Board, the initial terms of the three classes of the first Board
shall be one year, two years, and three years, respectively.

[If the Board is not to be classified:] The Board shall consist of _________ ( ) Directors. The Directors shall be elected by the Board at the annual
meeting of the Board. Each Director shall be elected for a term of one year.

Section 3.5.  Term of Office.

Each Director’s term begins at the time designated by the Board or, if not so designated, at the time of his or her election. Each Director shall hold office until (a)
the expiration of the term for which he or she was elected and until his or her successor has been elected and qualified, or (b) his or her earlier death, resignation, or removal.

Section 3.6.  Procedure for Nomination of Candidates for Director.

[The Chair][President] shall announce at the meeting of the Board the
number of Directors to be elected at the meeting. The Nominating Committee shall
present the nominations of candidates for election as Directors. Nominations may be
made only by the Nominating Committee. After the nominations have been moved and seconded, the Directors shall cast their votes.]
[The [Chair][President] shall announce at the meeting of the Board the number of Directors to be elected at the meeting and shall declare that the nominations of candidates for election as Director are open and shall call for nominations from the floor. Nominations may be made by any Director who is entitled to vote at the meeting. Nominations must be seconded. After nominations have been made, the chair of the meeting shall, on motion, declare the nominations closed, and thereafter no further nominations may be made. After the nominations have been closed, the Directors shall cast their votes.]

Section 3.7. Vacancies.

Vacancies in the Board, including vacancies resulting from (a) an increase in the number of Directors, or (b) the death, resignation, or removal of a Director, shall be filled by a majority vote of the remaining Directors though less than a quorum. Each person so elected shall be a Director to serve for the balance of the unexpired term.

Section 3.8. Removal of Directors.

Any Director may be removed from office, without assigning any cause, by a majority vote of the Board at any meeting of the Board. If any Director is removed, the resulting vacancy may be filled by the Board at the same meeting.

Section 3.9. Resignations.

Any Director may resign at any time by giving notice in record form to the Corporation. The resignation shall be effective upon receipt by the Corporation or at such subsequent time as may be specified in the notice of resignation.

Section 3.10. Compensation of Directors.

Directors shall receive no compensation for their services as Directors or as committee members. However, the Corporation may compensate a Director for providing services to the Corporation in any other capacity, including that of paid officer, employee, or agent of the Corporation. Directors who serve as paid officers, employees, or agents of the Corporation shall not participate in any vote of the Board [or the Executive Committee] with respect to their compensation. Subject to any policy adopted by the Board, Directors may be reimbursed for reasonable expenses paid or incurred on behalf of the Corporation.

Section 3.11. Voting Rights.

Each Director shall be entitled to one vote.
ARTICLE 4- COMMITTEES

Section 4.1. Establishment and Powers.

The Board may, by resolution adopted by a majority of the Directors, establish one or more committees to consist of one or more Directors of the Corporation. The Board may designate one or more Directors as alternate members of a committee. Any committee, to the extent provided in the resolution of the Board, shall have and may exercise all of the powers and authority of the Board, except that a committee, including the Executive Committee [and the Standing Committees, if any], shall not have any power or authority as to the following:

- The creation or filling of vacancies in the Board;
- The adoption, amendment or repeal of the Bylaws;
- The amendment or repeal of any resolution of the Board that by its terms is amendable or repealable only by the Board; or
- Action on matters committed by the Bylaws or a resolution of the Board exclusively to another committee of the Board.

Section 4.2. Term.

The [Chair][President] shall appoint the chairs and members of all committees of the Board, including Standing Committees, [in consultation with the President] and subject to approval by the Board. Standing Committees shall be appointed at the annual meeting of the Board and shall serve for a term of one year. The Board may, by resolution, determine not to constitute a Standing Committee for any year. Other committees of the Board shall serve at the pleasure of the Board.

Section 4.3. Committee Organization.

Except as otherwise provided by the Board, each committee shall be chaired by a Director and shall establish its own operating procedures. Each committee shall keep regular minutes of its proceedings and report the same to the Board at each regular meeting. Each committee shall determine its times and places of meetings. Section 5.5 (relating to quorum and action), Section 5.6 (relating to participation by teleconference), and Section 5.8 (relating to unanimous consent) shall apply to committees of the Board.

Section 4.4. Executive Committee.

The Executive Committee shall be composed of [the Chair,] [the President,] and at least three additional Directors. The Executive Committee shall be authorized to act for the Board between its regular meetings. After consultation with the Board, the Executive Committee shall review and evaluate the performance of the President annually. The Executive Committee shall determine the President’s
compensation, subject to approval by the Board. The President shall not participate in the Executive Committee’s discussion of matters pertaining to his or her evaluation or compensation. The compensation of other officers shall be reviewed and confirmed by the Executive Committee. Except as otherwise provided by these Bylaws or the Board, the Executive Committee shall have and may exercise all of the powers and authority of the Board in the management of the Corporation.

Section 4.5. Standing Committees.

[There shall be the following Standing Committees of the Board:

Finance and Audit Committee. The Finance and Audit Committee shall be composed of at least three Directors, preferably individuals who are financially literate or who have accounting or financial management expertise. Members of the Finance and Audit Committee must be independent of the Corporation and must not have a conflict of interest with the Corporation’s outside auditors. No member of the Finance and Audit Committee may be paid, directly or indirectly, for consulting or other services provided to the Corporation. In addition to any other duties assigned by the Board, the Finance and Audit Committee shall direct and oversee the Corporation’s financial affairs and shall report regularly to the Board with respect to the Corporation’s budgets, audits, loans, and investment and insurance policies. The Finance and Audit Committee shall recommend to the Board the designation of an independent auditor for the Corporation each year, shall meet privately with the auditor at least once each year, and shall receive and review the management letter from the auditor. The Finance and Audit Committee shall review and present the audited financial statements to the Board within a reasonable period of time after the close of the Corporation’s fiscal year. The Finance and Audit Committee shall determine that necessary controls are in place to ensure compliance with the Corporation’s financial policies and shall periodically evaluate the Corporation’s financial control and accounting system and recommend any changes it deems appropriate. The Finance and Audit Committee shall also receive quarterly financial statements from the Treasurer and approve any changes in format.

Nominating Committee. The Nominating Committee shall be composed of at least two Directors. In addition to any other duties assigned by the Board, the Nominating Committee shall propose names for election of Directors and officers and appointment of committee members in consultation with [the Chair and] [the President]. The recommendations of the Nominating Committee shall be presented to the Board at one or more regular meetings]
prior to the meeting at which the election shall take place.  
Except as otherwise provided by the Board, the Board shall vote 
on the nominations at the next meeting. The Nominating 
Committee shall also establish and administer a program for 
Director orientation and a process for evaluation of Directors 
prior to their re-election to the Board.] 

ARTICLE 5- MEETINGS OF DIRECTORS

Section 5.1.  Place of Meetings.

The Board may hold its meetings at such places as the Board may appoint 
or as may be designated in the notice of the meeting.

Section 5.2.  Annual Meeting.

Unless the Board provides for a different time, the annual meeting of the 
Board, for the election of Directors and officers, appointment of Standing Committees, 
and the transaction of any other business which may be brought before the meeting, shall 
be held at __________ o’clock __.m. on the ______________ of __________ in each 
year. If such day is a legal holiday under the laws of Pennsylvania, the annual meeting 
shall be held on the next succeeding business day which is not a legal holiday under the 
laws of Pennsylvania. Immediately after each annual election of Directors, the newly 
constituted Board shall meet without prior notice at the place where the election of 
Directors was held, or at any other place and time designated in a notice given as 
provided in Section 7.1, for the purposes of organization, election of officers, and the 
transaction of other business.

Section 5.3.  Regular Meetings.

The Board may hold its regular meetings at such time and place as shall be 
designated by the Board. The Board shall transact such business as may properly be 
brought before its meetings. Notice of regular meetings need not be given other than by 
announcement at the prior meeting. If notice is not given by announcement at the prior 
meeting, notice of regular meetings shall be given in the same manner as notice of special 
meetings.

Section 5.4.  Special Meetings of the Board.

The [Chair, the President,] or any two Directors may call special 
meetings of the Board which shall be held at such time and place as shall be designated in 
the call for the meeting. Three days’ notice of any special meeting shall be given to each 
Director pursuant to Section 7.1 or by telephone. The notice shall state the time and 
place of the special meeting but need not state the purpose of the special meeting.
Section 5.5.  Quorum.

A majority of Directors shall constitute a quorum for the transaction of business. The acts of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the acts of the Board.

Section 5.6.  Participation in Meetings.

One or more Directors may participate in a meeting of the Board or a committee thereof by means of conference telephone or other electronic technology by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at the meeting.

Section 5.7.  Organization.

Every meeting of the Board shall be presided over by the Chair, or in the absence of the Chair, the Vice Chair, or in the absence of the Chair and the Vice Chair, a chair chosen by a majority of the Directors present. The Secretary, or in his or her absence, a person appointed by the chair, shall act as secretary.

Section 5.8.  Consent of Directors in Lieu of Meeting.

Any action required or permitted to be approved at a meeting of the Directors may be approved without a meeting, if a consent or consents to the action in record form are signed before, on or after the effective date of the action by all Directors in office on the date the last consent is signed. The consents must be filed with the Secretary.

ARTICLE 6- OFFICERS

Section 6.1.  Number.

The officers of the Corporation shall include a Chair, a Vice Chair, a President, a Secretary, and a Treasurer. The officers may include one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers, and such other officers as the Board may determine. Any number of offices may be held by the same person.

Section 6.2.  Qualifications of Officers.

The officers shall be natural persons at least 18 years of age who are Directors, except that the Treasurer may be a corporation. The Chair and the Vice Chair shall be Directors. Other officers need not be Directors.
Section 6.3.  Election and Term of Office.

Except as otherwise provided by the Board, the officers of the Corporation shall be elected by the Board at the annual meeting of the Board. Each officer shall serve for a term of one year and until his or her successor has been elected and qualified, or until his or her earlier death, resignation, or removal.

Section 6.4.  Termination or Removal of Officers and Agents.

Unless the Board provides otherwise, termination of an officer’s or agent’s employment with the Corporation shall terminate the officer’s term in office. The Board may remove any officer or agent, with or without cause, at any time. The removal shall be without prejudice to the contract rights, if any, of any person so removed.

Section 6.5.  Resignations.

Any officer may resign at any time by giving notice in record form to the Corporation. The resignation shall be effective upon receipt by the Corporation or at such subsequent time as may be specified in the notice of resignation.

Section 6.6.  The Chair.

[The Chair shall preside at all meetings of the Board. The Chair shall appoint the chairs and members of all committees of the Board, including Standing Committees,[ in consultation with the President and] subject to approval by the Board. The Chair may execute in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. In general, the Chair shall perform all duties incident to the office of Chair and such other duties as may be assigned by the Board.]

Section 6.7.  The Vice Chair.

[In the absence or disability of the Chair or when so directed by the Chair, the Vice Chair may perform all the duties of the Chair, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Chair. The Vice Chair shall perform such other duties as may be assigned by the Board or the Chair.]
Section 6.8. The President.

The President shall be the chief executive officer of the Corporation and shall have general supervision over the business and operations of the Corporation, subject to the control of the Board. [The President shall preside at all meetings of the Board and the Executive Committee]. The President shall execute in the name of the Corporation, deeds, mortgages, bonds, contracts, and other instruments authorized by the Board, except in cases where the execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. In general, the President shall perform all duties incident to the office of President and such other duties as may be assigned by the Board [or the Chair].

Section 6.9. The Vice Presidents.

In the absence or disability of the President or when so directed by the President, a Vice President designated by the Board may perform all the duties of the President to the extent authorized by the Board and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President. Each Vice President shall perform such duties as may be assigned by the Board[ or the Chair], or the President. Only Vice Presidents designated by the Board under Section 6.1 have the status of officers under the Act and these Bylaws. The Corporation may confer the title of Vice President for administrative or employment purposes, but those individuals so titled shall not be officers of the Corporation under the Act or these Bylaws.

Section 6.10. The Secretary.

The Secretary shall record all votes of the Board and the minutes of the meetings of the Board in a book or books to be kept for that purpose. The Secretary shall see that required notices of meetings of the Board are given and that all records and reports are properly kept and filed by the Corporation. The Secretary shall be the custodian of the seal of the Corporation and shall see that it is affixed to all documents to be executed on behalf of the Corporation under its seal. In general, the Secretary shall perform all duties incident to the office of Secretary and such other duties as may be assigned by the Board or the President.

Section 6.11. Assistant Secretaries.

In the absence or disability of the Secretary or when so directed by the Secretary, any Assistant Secretary may perform all the duties of the Secretary, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Secretary. Each Assistant Secretary shall perform such other duties as may be assigned by the Board, the President, or the Secretary.
Section 6.12. The Treasurer.

The Treasurer shall be responsible for corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall have full authority to receive and give receipts for all money due and payable to the Corporation, and to endorse checks, drafts, and warrants in its name and on its behalf and to give full discharge for the same. The Treasurer shall deposit all funds of the Corporation in such banks or other places of deposit as the Board may designate. In general, the Treasurer shall perform all duties incident to the office of Treasurer and such other duties as may be assigned by the Board or the President.

Section 6.13. Assistant Treasurers.

In the absence or disability of the Treasurer or when so directed by the Treasurer, any Assistant Treasurer may perform all the duties of the Treasurer, and, when so acting, shall have all the powers of, and be subject to all the restrictions upon, the Treasurer. Each Assistant Treasurer shall perform such other duties as may be assigned by the Board, the President, or the Treasurer.


The compensation of all officers shall be fixed by the Board or any committee or officer authorized by the Board. No officer shall be precluded from receiving compensation by reason of the fact that he or she is also a Director of the Corporation. However, Directors who are compensated to serve as officers shall not participate in any vote of the Board or the Executive Committee with respect to their compensation. Subject to any policy adopted by the Board, officers may be reimbursed for reasonable expenses paid or incurred on behalf of the Corporation.

ARTICLE 7- NOTICE

Section 7.1. Notice in Record Form.

Any notice required to be given to any person under the Act or by the Articles of Incorporation or these Bylaws shall be given to the person either personally or by sending a copy thereof:

By first class or express mail, postage prepaid, or courier service, charges prepaid, to the person’s postal address appearing on the books of the Corporation or, in the case of Directors, supplied by the person to the Corporation for the purpose of notice. Notice under this subparagraph shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a courier service for delivery to that person.

By facsimile transmission, email or other electronic communication to the person’s facsimile number or address for email or other electronic
communications supplied by the person to the Corporation for the purpose of notice. Notice under this subparagraph shall be deemed to have been given to the person entitled thereto when sent.

A notice of meeting shall specify the place, day and hour of the meeting and any other information required by the Act.

Except as otherwise provided by the Act, when a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which the adjournment is taken.

Section 7.2. Waiver by Writing.

Whenever any notice is required to be given under the Act or these Bylaws, a waiver of notice that is filed with the Secretary in record form, signed by the person or persons entitled to the notice, whether before or after the time stated, shall be deemed equivalent to the giving of the notice. Neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting.

Section 7.3. Waiver by Attendance.

Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 7.4. Record Form.

Any written communication or signature required or permitted by these Bylaws or the Act, including a unanimous consent, shall be valid if provided in record form, including, without limitation, facsimile, electronic mail transmission, or other means permitted by applicable law. For purposes of these Bylaws, “record form” and “sign” are defined in 15 Pa.C.S. § 102, as amended.

ARTICLE 8- CONFLICTS OF INTEREST

Section 8.1. Conflicts of Interest Policy.

The Corporation’s conflicts of interest policy is set forth in this Article. The purpose of the conflicts of interest policy is to protect the Corporation’s interest when it is contemplating entering into a contract, transaction, or other arrangement that might benefit the private interest of a Director, officer, member of a committee with Board-delegated powers, or key employee of the Corporation (each a “Covered Person”). This policy is intended to supplement the requirements of the Act with respect to conflicts of interest. This policy shall apply to all contracts, transactions, or other arrangements between the Corporation and (a) a Covered Person, (b) a family member of
a Covered Person, or (c) businesses or other entities in which a Covered Person or his or her family members own financial or beneficial interests.

Section 8.2. Duty to Disclose.

Each Covered Person shall execute and deliver to the [Chair]/[President] an annual statement disclosing the facts relating to any actual or potential conflict of interest. The [Chair]/[President] shall report the results of the annual disclosure statements to the Board at its annual meeting. In addition, if any Covered Person has a direct or indirect interest in any proposed contract, transaction, or other arrangement involving the Corporation, the Covered Person must disclose the interest to the Board or committee authorizing the contract, transaction, or other arrangement, and the Board or committee shall determine whether the interest constitutes a conflict of interest prior to taking any action.

Section 8.3. Liberal Construction of Interest.

For purposes of this Article, an interest subject to disclosure under this policy shall be liberally construed. For example, an interest includes, without limitation, (a) direct or indirect compensation, (b) gifts or favors that are substantial in nature, (c) an ownership or investment interest in any business or entity with which the Corporation has a contract, transaction, or other arrangement, and (d) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a contract, transaction, or other arrangement, in each case that involves a Covered Person, a family member of a Covered Person, or businesses or other entities in which a Covered Person or his or her family members own financial or beneficial interests.

Section 8.4. Participation and Voting.

A Covered Person who has a conflict of interest may answer questions of the Board or committee considering the contract, transaction, or other arrangement that involves the conflict. However, after answering questions, the Covered Person shall leave the meeting during the discussion of the merits of the matter and shall not vote on the matter. The Covered Person shall be counted in determining the presence of a quorum.

Section 8.5. Recordkeeping Procedures.

The minutes of meetings of the Board and committees with Board-delegated powers shall include:

The names of all persons who disclosed an interest or were found to have a conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest existed, and whether the Board or committee determined there was a conflict of interest;
The names of the persons who absented themselves from the meeting during discussions and votes relating to the matter;

The content of any discussion relating to the matter, including any alternatives; and

A record of the vote on the proposed contract, transaction, or other arrangement.

Copies of any reports, appraisals, or other written data presented at the meeting to analyze the conflict of interest or to vote on the matter shall be filed with the minutes. The minutes shall be prepared before the later of the next meeting of the Board or applicable committee or 60 days after the final action is taken by the Board or committee. The Board or applicable committee shall review the minutes within a reasonable period of time after their preparation.

ARTICLE 9– STANDARD OF CARE

Section 9.1. Standard of Care; Justifiable Reliance.

A Director shall stand in a fiduciary relation to the Corporation and shall perform his or her duties as a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner the Director reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances. In performing his or her duties, a Director shall be entitled to rely in good faith on information, opinions, reports or statements, including, without limitation, financial statements and other financial data, in each case prepared or presented by any of the following:

One or more officers or employees of the Corporation whom the Director reasonably believes to be reliable and competent in the matters presented;

Counsel, public accountants or other persons as to matters which the Director reasonably believes to be within the professional or expert competence of such person; or

A committee of the Board upon which the Director does not serve, duly designated in accordance with law, as to matters within its designated authority, which committee the Director reasonably believes to merit confidence.

A Director shall not be considered to be acting in good faith if the Director has knowledge concerning the matter in question that would cause his or her reliance to be unwarranted.
Section 9.2.  Presumption.

Absent breach of fiduciary duty, lack of good faith, or self-dealing, actions taken by the Board, committees of the Board, or by individual Directors, or any failure to take any action, shall be presumed to be in the best interests of the Corporation.

Section 9.3.  Notation of Dissent.

A Director who is present at a meeting of the Board, or of a committee of the Board, at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting or unless the Director files a written dissent to the action with the Secretary of the meeting before the adjournment thereof or transmits the dissent in writing to the Secretary immediately after the adjournment of the meeting.  The right to dissent shall not apply to a Director who voted in favor of the action.  Nothing in this Section shall bar a Director from asserting that minutes of the meeting incorrectly omitted his or her dissent if, promptly upon receipt of a copy of the minutes, the Director notifies the Secretary, in writing, of the asserted omission or inaccuracy.

ARTICLE 10- LIMITATION OF LIABILITY; INSURANCE

Section 10.1.  Limitation of Liability of Directors.

A Director shall not be personally liable, as such, for monetary damages for any action taken or any failure to take any action as a Director unless:

The Director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 57 of the Act; and

The breach or failure to perform constitutes self-dealing, willful misconduct, or recklessness.

This Section shall not apply to (1) the responsibility or liability of a Director pursuant to any criminal statute, or (2) the liability of a Director for the payment of taxes pursuant to federal, state, or local law.  Any repeal or amendment of this Section shall be prospective only and shall not increase, but may decrease, a Director’s liability with respect to actions or failures to act occurring prior to such change.
Section 10.2. Insurance.

The Corporation [shall][may] purchase and maintain insurance on behalf of any person who is or was a Director or officer of the Corporation or is or was serving at the request of the Corporation as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against that liability under the Act. The Corporation’s payment of premiums with respect to such insurance coverage shall be provided primarily for the benefit of the Corporation. To the extent that such insurance coverage provides a benefit to the insured person, the Corporation’s payment of premiums with respect to such insurance shall be provided in exchange for the services rendered by the insured person and in a manner so as not to constitute an excess benefit transaction under section 4958 of the Code or an act of self-dealing under section 4941 of the Code, if applicable.

ARTICLE 11- INDEMNIFICATION

Section 11.1. Representative Defined.

For purposes of this Article, “representative” means any Director or officer of the Corporation.

Section 11.2. Mandatory Indemnification.

The Corporation shall indemnify any representative who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (including an action by or in the right of the Corporation, provided the Corporation shall have consented to such action on its behalf), by reason of the fact that he or she is or was a representative of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust, or other enterprise, against expenses (including attorneys’ fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action or proceeding [if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action or proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation and, with respect to any criminal proceeding, had reasonable cause to believe that his or her conduct was unlawful.] Notwithstanding the foregoing, the Corporation shall indemnify any representative seeking indemnification in connection with an action or proceeding (or part thereof) initiated by that person only if that action or proceeding (or part thereof) was authorized...
by the Board or the Corporation is ordered to indemnify that person by a court of law. Furthermore, no indemnification shall be made under this Article in respect of any claim, issue, or matter as to which the representative has been adjudged to be liable to the Corporation unless and only to the extent that the court of common pleas of the judicial district embracing the county in which the registered office of the Corporation is located or the court in which the action was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the representative is fairly and reasonably entitled to indemnity for such expenses that the court of common pleas or other court shall deem proper.

Section 11.3. Employee Benefit Plans.

For purposes of this Article, “other enterprises” shall include employee benefit plans; “serving at the request of the Corporation” shall include any service as a representative of the Corporation that imposes duties on, or involves services by, the representative with respect to an employee benefit plan, its participants or beneficiaries; excise taxes assessed on a person with respect to any employee benefit plan shall be deemed “fines”; and action with respect to an employee benefit plan taken or omitted in good faith by a representative in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of the plan shall be deemed to be action in a manner that is not opposed to the best interests of the Corporation.

Section 11.4. Procedure for Effecting Indemnification.

Unless ordered by a court, any indemnification under Section 11.2 shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the representative is proper in the circumstances [because he or she has met the applicable standard of conduct set forth in that Section]. The determination shall be made:

By the Board by a majority vote of a quorum consisting of Directors who were not parties to the action or proceeding; or

If such a quorum is not obtainable or if obtainable and a majority vote of a quorum of disinterested Directors so directs, by independent legal counsel in a written opinion.

Section 11.5. Advancing Expenses.

The Corporation shall pay expenses (including attorneys’ fees) incurred in defending any action or proceeding referred to in Section 11.2 in advance of the final disposition of the action or proceeding upon receipt of an undertaking, satisfactory in form and substance to the Board, by or on behalf of the representative to repay the amount if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article or otherwise. Notwithstanding the foregoing, the Corporation shall advance expenses under this Article in connection with an action or proceeding (or part thereof) initiated by that representative only if the action or
proceeding (or part thereof) was authorized by the Board or the Corporation is ordered to advance the expenses to the representative by a court of law.

**Section 11.6. Supplementary Coverage.**

The indemnification and advancement of expenses provided by or granted pursuant to this Article shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Act, or any bylaw, agreement, vote of disinterested Directors, or otherwise, both as to action in an official capacity and as to action in another capacity while holding that office. Article 8 (relating to conflicts of interest) shall be applicable to any bylaw, contract, or transaction authorized by the Directors under this Section. However, no indemnification may be made by the Corporation under this Article or otherwise to or on behalf of any person to the extent that:

- The act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted self-dealing, willful misconduct, or recklessness; or
- The Board determines that under the circumstances indemnification would constitute an excess benefit transaction under section 4958 of the Code or an act of self-dealing under section 4941 of the Code, if applicable.

**Section 11.7. Duration and Extent of Coverage.**

The indemnification and advancement of expenses provided by or granted pursuant to this Article shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a representative of the Corporation and shall inure to the benefit of the heirs and personal representatives of that person.

**Section 11.8. Reliance and Modification.**

Each person who shall act as a representative of the Corporation shall be deemed to be doing so in reliance upon the rights provided by this Article. The duties of the Corporation to indemnify and to advance expenses to a representative provided in this Article shall be in the nature of a contract between the Corporation and the representative. No amendment or repeal of any provision of this Article shall alter, to the detriment of the representative, his or her right to the advance of expenses or indemnification related to a claim based on an act or failure to act which took place prior to such amendment or repeal.

**ARTICLE 12- FINANCE**

**Section 12.1. Fiscal Year.**

The fiscal year of the Corporation shall begin on ______________ and end on ______________.
**Section 12.2. Budgets.**

The Board shall adopt a budget for each fiscal year.

**Section 12.3. Annual Report.**

The President and Treasurer shall present the Board at its annual meeting a report, verified by the President and Treasurer or by a majority of the Board, showing in appropriate detail the Corporation’s assets and liabilities as of the end of, and the Corporation’s income and expenses for, the fiscal year immediately preceding the date of the report. The annual report of the Board shall be filed with the minutes of the annual meetings of the Board.

**ARTICLE 13- TRANSACTION OF BUSINESS**

**Section 13.1. Offices.**

The registered office of the Corporation shall be located in Pennsylvania. The Corporation may have any number of other offices at such places as the Board may determine.

**Section 13.2. Seal.**

The Corporation may use a Corporate Seal. The Corporate Seal shall bear the name of the Corporation, the year of its incorporation and the words “Corporate Seal, Pennsylvania”.

**Section 13.3. Negotiable Instruments.**

The Board shall designate one or more officers or agents who shall sign all checks or demands for money and notes of the Corporation.

**Section 13.4. Contracts.**

The Board may authorize any officer or agent of the Corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation. The authority may be general or confined to specific instances.

**Section 13.5. Loans.**

The Corporation shall not lend money to or guarantee the obligation of a Director or officer of the Corporation. The authorization of the Board is required for any loan contracted on behalf of the Corporation and any evidences of indebtedness issued in the Corporation’s name.
Section 13.6. Deposits.

All funds of the Corporation, not otherwise employed, shall be deposited to the credit of the Corporation in one or more banks, financial institutions, or other depositories as the Board shall authorize.

Section 13.7. Securities.

The [Chair] [President], the Secretary, the Treasurer, or other officers or agents appointed by the Board are authorized to vote, represent, and exercise on behalf of the Corporation all rights incident to all voting securities of any other corporation or proprietary entity standing in the name of the Corporation.

Section 13.8. Bond.

The Corporation may secure the fidelity of any officer or agent of the Corporation by bond or otherwise.

Section 13.9. Subventions.

The Corporation shall be authorized by resolution of the Board to accept subventions on terms and conditions not inconsistent with the Act and to issue certificates therefor.

Section 13.10. Corporate Records.

The Corporation shall keep (a) minutes of the proceedings of the Board, and (b) appropriate, complete, and accurate books or records of account, at its registered office or the principal place of business or any actual business office of the Corporation.

ARTICLE 14- AMENDMENTS

Section 14.1. Amendments.

The Bylaws of the Corporation may be amended by a majority vote of the Board at any meeting after notice of such purpose has been given.

History:
Original Bylaws adopted by the Incorporator on _______ and ratified by the Board of Directors on ____________.
IRS EXEMPT ORGANIZATION DETERMINATION PROCESS
FLOW CHART [PER IRS WEBSITE]

Organization submits application form seeking tax exempt status to Covington, KY

Application is entered into the system and the user fee payment is processed. A notice is sent acknowledging receipt of the application.

Application is sent to the Exempt Organizations function in Cincinnati.

Application is assigned to Determination Specialist to be screened.

Specialist determines if application was submitted on an obsolete form or is lacking procedural items, can be approved based on information submitted, requires minor information, or requires substantial development.

Obsolete form or lacking procedural items

Approved based on information submitted without contact

Assign application to secure minor information

Assign application to technical group for substantial development

Acceptable information received

Specialist contacts applicant and develops the case

Applications are primarily closed in the following ways:
1. Exemption Approved
2. Failure to Establish (FTE)/Withdrawal
3. Proposed Denial

Exemption Approved

FTE/Withdrawal

Proposed Denial

Applicant fails to respond to requests for information or submits a request to withdraw application

Applicant fails to meet exemption requirements

A proposed denial letter is issued to applicant

Case is closed and tax exemption is not granted

Applicant may appeal the proposed denial

8/4/2009

Return to applicant

Approval letter is prepared & mailed to applicant.
IRS FORM 1023 QUESTIONNAIRE

FORM 1023 INSTRUCTIONS

To complete IRS Form 1023, the application for 501(c)(3) status, the board or officers should begin considering these tasks or questions:

I. THE NARRATIVE:

The Board needs to draft a narrative that describes completely and in detail the organization’s past, present, and planned activities that are substantial. An organization should describe either actual or planned activities, rather than possible or speculative programs.

Sample Activities may include: 1) Community Planning; 2) Residential Development; 3) Afterschool Program; 4) Resource and Referral Service; 5) Small Business Support; 6) Fundraising; 7) Community Education; or 8) Arts and Cultural Programs.

If the organization has a website, pamphlets or other supportive documents, it may attach paper copies of relevant materials to support the narrative description of activities. However, this is not necessary.

The narrative should be 1-2 pages but can be longer, if necessary. Here is a sample outline of the narrative:

**Introduction**
- Mission
- Why this mission? Demographics/ Statistics
- History of the organization

**Activity 1**
- What is the activity?
- Who conducts the activity?
- When is the activity conducted?
- Where is the activity conducted?
- Why is the activity conducted?
- How does the activity further the organization's purposes?
- What percentage of the organization's resources, time, and money is allocated to the activity?
- How is the activity funded?
Activity 2 (same questions as above)
Activity 3, Activity 4 etc.

Legal analysis of 501(c)(3) application to the facts with citations to relevant IRS regulations or revenue rulings or court cases, if any.

Conclusion

II. FUNDRAISING

Draft a description of the organization’s fundraising plan. How does the organization fundraise? Will there be any planned fundraising campaigns? What will be its sources of income? Who will be its contributors? Will the organization hire a professional fundraiser? Fundraise for other organizations? In which states, will the organization register to solicit contributions?

Check the following types of fundraising you plan to engage in:

- mail solicitations
- email solicitations
- personal solicitations
- vehicle, boat, plane, or similar donations
- foundation grant solicitations
- phone solicitations
- accept donations on your website
- receive donations from another organization’s website
- government grant solicitations
- real estate donations

We should describe this program and whether or not we will accept real estate donations with donor conditions.

☐ Other ________________ receive donations from another organization’s website

III. BOARD OF DIRECTORS & OFFICERS

Please list the names, titles and address of each member of the Board of Directors and officer. Also, list their qualifications, their proposed or actual compensation from the organization, and the hours they will devote to the organization. Also describe their duties.

IV. FINANCIAL AND PERSONAL RELATIONSHIPS AND OTHER ARRANGEMENTS WITH OFFICERS, DIRECTORS, EMPLOYEES OR INDEPENDENT CONTRACTORS
Please list and explain any family or personal relationships among members of the board, officers or employees.

Please list any business relationships among members of the board, officers or employees—or any business/ partnership relationships between the organization and these persons.

Will the organization own/ rent any buildings? From whom? Who will develop/ manage your facilities? Employees, volunteers or a paid developer or manager?

Are there any close connections with other organizations? A close connection may be: control of one organization by another through governance (subsidiaries) or by financial authority (fiscal sponsorship); coordination of operations (shared facilities, employees, programs); or common persons exercising substantial control over all organizations.

Also consider whether the organization will engage in the following and under what conditions:
1) purchasing goods and services from board members, officers, employees
2) hiring board members, officers, employees as independent contractors
3) selling goods or services to board members, officers, employees
4) paying any board member, officer or employee through non-fixed payments; such as discretionary bonuses or commissions
5) leasing, lending or contracting with any board member, officer or employee
6) having any lease, loan or contract with an organization or business owned by one or more officers, board members, or employees or which they serve as officers, board members, or employees
7) making a grant, loan or other distribution to other organizations
8) engaging in joint ventures involving shared profits/losses with a for-profit company
9) having overlapping boards, officers, or employees with other organizations that do business with the organization

If the organization will be involved in any of the above, please describe in detail.

V. SPECIFIC ACTIVITIES AND SERVICES

GRANTS, GOODS, SERVICES - Describe any grants, goods, or services the organization will provide to individuals or to other organizations. Will these grants, goods, or services be limited to certain persons? Describe how? What are the eligibility criteria? Are fees for goods or services charged and, if so, how are fees set?

INTELLECTUAL PROPERTY - Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other
intellectual property? If “Yes,” explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed.

CHILD CARE - Do you provide child care? Is the child care for the purposes of allowing parents to work? Is the child care available/affordable to low-income working parents? Please describe your child care program, fees, subsidies, etc.

Economic Development — Does the organization engage in economic development? If so, describe the program? Who benefits from the program and how does it further the organization’s purpose? Submit documentation which declares the neighborhood as “blighted or deteriorated”.

Economic development is described by the IRS as: Organizations formed to combat community deterioration by assisting businesses located in a particular geographic area whose economy is economically depressed or deteriorating. Economic development activities include grants, loans, provision of information and expertise, or creation of industrial parks. Economic development organizations may also be formed to eliminate prejudice and discrimination or lessen the burdens of government through involvement with business development.

Low-income housing/senior or disabled housing --- Does the organization intend to provide this type of housing? Who will qualify for the housing? (income, age, disability, etc.) Try to keep it as general as possible. Is it available to a certain community? What type of fees will be associated with the housing? Maintenance fee, application fee? What will be the policy for residents who fail to pay rents, fees? Will the organization work with government welfare agencies to absorb part or all of costs of maintaining residents? Will the facilities be designed to meet social, economic, recreational, religious needs? Will social services be available? For senior and disabled, will health care be available for residents? For low-income housing, will restrictions be in place so that housing remains low-income? What kind?

Political Activities - Will the organization participate in political activities? Support candidates? Lobby elected officials?

VI. BUDGET

The organization needs to create a budget for

- FY 1: current year
- FY 2:
- FY 3:

When drafting the budget, please consider the following specific items:

Revenues
- Gifts, grants, and contributions received (do not include unusual grants)
- Membership fees received
- Gross investment income
- Net unrelated business income
- Taxes levied for your benefit
- Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)
- Gross receipts from admissions
- Merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)
- Net gain or loss on sale of capital assets
- Unusual grants
- Any revenue not otherwise listed above or in lines below (attach an itemized list)

**Expenses**
- Fundraising expenses
- Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)
- Disbursements to or for the benefit of members (attach an itemized list)
- Compensation of officers, directors, and trustees
- Other salaries and wages
- Interest expense
- Occupancy (rent, utilities, etc.)
- Depreciation and depletion
- Professional fees
- Any expense not otherwise classified, such as program services (attach itemized list)
# THE SOLICITATIONS ACT
## EXCLUSIONS AND EXEMPTIONS TABLE

<table>
<thead>
<tr>
<th>TYPE OF ORGANIZATION</th>
<th>CRITERIA WHICH MUST BE MET FOR EXCLUSION OR EXEMPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizations of law enforcement personnel, firefighters, or other persons who protect the public safety.</td>
<td>Stated purpose in solicitations must not include any benefit to any person outside the actual active membership of the organization.</td>
</tr>
<tr>
<td>Religious institutions and separate groups or corporations which form integral parts of religious institutions.</td>
<td>1) Organization must be tax-exempt under the Internal Revenue Code; and 2) <em>No part of the organization's net income can inure to the direct benefit of any individual; and</em> 3) The organization's conduct must be primarily supported by government grants or contracts, funds solicited from its own membership, congregation, or previous donors, and fees charged for services rendered.</td>
</tr>
<tr>
<td>Educational institutions and any auxiliary associations, foundations, and support groups that are directly responsible to educational institutions.</td>
<td>Curricula must be registered with, or approved by, the Department of Education, either directly or by acceptance of accreditation by an accrediting body recognized by the Department of Education.</td>
</tr>
<tr>
<td>Hospitals and hospital foundations.</td>
<td>Organization must be regulated by the Department of Health or the Department of Public Welfare.</td>
</tr>
<tr>
<td>TYPE OF ORGANIZATION</td>
<td>CRITERIA WHICH MUST BE MET FOR EXCLUSION OR EXEMPTION</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Veterans' organizations chartered under federal law, volunteer firemen, ambulance</td>
<td>All fundraising activities of the organization or association must be carried on by volunteers, members, or an auxiliary or</td>
</tr>
<tr>
<td>associations, rescue squad associations, and their auxiliaries or affiliates.</td>
<td>affiliate thereof, who receive no compensation, directly or indirectly, for the fundraising activities.</td>
</tr>
<tr>
<td>Public, nonprofit library organizations.</td>
<td>Organization must receive financial aid from state and municipal governments and file an annual fiscal report with the State Library System.</td>
</tr>
<tr>
<td>Senior citizen centers and nursing homes.</td>
<td>Organization must be nonprofit and charitable <strong>and</strong> must have been granted tax-exempt status under the Internal Revenue Code <strong>and</strong> all fundraising activities must be carried on by volunteers, members, or officers, who receive no compensation, directly or indirectly, for the fundraising activities.</td>
</tr>
<tr>
<td>Parent/teacher associations or organizations.</td>
<td>Organization must be recognized in a notarized letter from the school district in which it is located.</td>
</tr>
<tr>
<td>Any corporation established by an act of Congress of the United States.</td>
<td>Corporation must be required by federal law to submit annual reports of its activities to Congress containing itemized accounts of all receipts and expenditures after being fully audited by the Department of Defense.</td>
</tr>
<tr>
<td>Any charitable organization which receives gross <strong>national</strong> contributions of $25,000</td>
<td>Organization cannot compensate any person who conducts solicitations.</td>
</tr>
</tbody>
</table>
Dear Sir or Madam:

Section 379 of The Institution of Purely Public Charity Act, 10 P.S. Section 379, requires your organization to annually file a copy of its IRS 990 Return, the registration statement on the reverse side of this letter, and a $15 fee with the Bureau of Charitable Organizations within 135 days of your organization’s most recently completed fiscal year unless exempt from registration. You may obtain a copy of Section 379 and the registration statement by contacting the Bureau or by printing the information from our Web site at: www.dos.state.pa.us/char.

The following organizations are exempt from Section 379’s registration requirements: 1) an organization which receives contributions of less than $25,000 during its most recently completed fiscal year provided that the organization’s program service revenue does not equal or exceed $5,000,000; 2) religious institutions and such separate groups or corporations which form an integral part of a religious institution and are exempt from filing an IRS 990 Return.

If after reviewing these exemptions you determine your organization is exempt from the registration requirements, please check the appropriate box on the registration statement, indicate the applicable exemption, complete items #1 - #3, sign where indicated, and no fee is required.

If your organization is not exempt from the registration requirements and cannot meet the filing deadline, the Bureau can grant an extension to file your organization’s IRS 990 Return. To receive an extension, the Bureau must receive either a request for an extension by completing the registration statement on the reverse and completing item #10 or a copy of your IRS extension form filed with the IRS. Extension request must be postmarked on or before the date when your organization’s registration is due.

If you have already forwarded the registration for your organization’s most recently completed fiscal year, please disregard this notice. If you have any questions concerning these matters, please contact the Bureau.

Visit our Web site at: www.dos.state.pa.us/char
Institution of Purely Public Charity Registration Statement
For the Fiscal Year Which Ended: __/__/____

☐ Exempt from registration. (Give reason for exemption, complete items #1-#3, and sign below.)

1. Employer Identification # ___________________________ Registration # (If known) _______________

2. Legal name of organization: ____________________________

3. c/o ________________________________________________
   Street address _________________________________________
   City ___________________ State ___________ Zip Code _______
   County _____________________________________________
   Telephone # ____________________________ 800 Telephone # _____________

4. Date organized: __/__/____

5. Has your organization's tax-exempt status ever been revoked by the Internal Revenue Service?
   Yes ☐ No ☐ (If "yes", attach copy of revocation.)

6. Does your organization share revenue or formal governance with any other nonprofit corporation or unincorporated association? Yes ☐ No ☐ (If "yes", attach explanation listing name, address, type of organization, and relationship to your organization.)

7. Does any other domestic or foreign organization own a 10% or greater interest in your organization or does your organization own a 10% or greater interest in any other domestic or foreign organization? Yes ☐ No ☐ (If "yes", attach the following information for each domestic or foreign organization: name and type of organization, whether organization is for-profit or nonprofit, and relationship of organization to your organization.)

8. Attach a complete copy of your organization's IRS 990 Return and Schedule A for the fiscal year covered by this registration statement. (Make sure you include copies of all pages and attachments.)

9. Please include $15 filing fee. (Make check or money order made payable to the "Commonwealth of Pennsylvania").

Complete the following if an extension is needed to file the IRS 990 Return

10. An extension of time until ________________ is requested for filing our IRS 990 Return.

    I do hereby declare that the information contained herein is true and correct to the best of my knowledge, information, and belief.

    ________________________________
    SIGNATURE OF AUTHORIZED OFFICIAL

    ____________________________________________
    TYPE OR PRINT NAME AND TITLE OF
    AUTHORIZED OFFICIAL OF THE ORGANIZATION
    ________________________________
    DATE
THE SOLICITATIONS ACT
FORM BCO – 10 INSTRUCTIONS

INSTRUCTIONS

So your registration can be approved, please enclose the following:

☐ A properly completed and signed BCO-10 registration statement.

☐ A completed and signed copy of your organization’s IRS 990 Return and Schedule A for the immediate preceding fiscal year end. (An organization which is not required to file an IRS 990 Return must file a BCO-23 Form. This includes an organization that files a 990N, 990EZ, or 990PF, or an affiliate whose parent organization files a 990 group return must file a BCO-23 Form in addition to filing a copy of the organization’s IRS 990 Return. You may print a BCO-23 Form from our website at: http://www.dos.state.pa.us/portal/server.pt/community/charities.

☐ Internally prepared, compiled, reviewed, or audited financial statements (preferably unbound) for the immediate preceding fiscal year end. (See chart below and “Important Information For Charitable Organizations” on page #6).

☐ Additional Filings (Initial registrants only): Copies of IRS exemption letter and organizational documents such as charter, articles of incorporation, and by-laws.

☐ Registration fee payable to “Commonwealth of Pennsylvania”. (See chart below.) For renewal registrants, please include your Certificate number on your check or money order.

☐ Initial Registrants: file your registration prior to any compensated person soliciting contributions or within 30 days of receiving more than $25,000 in gross contributions for those organizations that do not compensate any person for soliciting contributions. Renewal Registrants: file your registration within 315 days from the close of your fiscal year end.

☐ Late filing fees (If applicable). An organization failing to file a registration by the due date must pay an additional fee of $25 for each month or part of a month after the date on which the registration was due to be filed. Late filing fees are statutorily required and may not be waived under any circumstances. Organizations not required to register but electing to voluntarily register are not subject to late filing fees.
<table>
<thead>
<tr>
<th>Gross Contributions</th>
<th>Type of Financial Statements Required</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 162.7(a)</td>
<td>None</td>
<td>$15</td>
</tr>
<tr>
<td>Organizations2</td>
<td>Internally Prepared, Compiled,</td>
<td>$15</td>
</tr>
<tr>
<td></td>
<td>Reviewed, or Audited</td>
<td></td>
</tr>
<tr>
<td>$25,000 or less</td>
<td>Internally Prepared, Compiled,</td>
<td>$15</td>
</tr>
<tr>
<td></td>
<td>Reviewed, or Audited</td>
<td></td>
</tr>
<tr>
<td>$25,001 to less than</td>
<td>Internally Prepared, Compiled,</td>
<td>$100</td>
</tr>
<tr>
<td>$50,000</td>
<td>Reviewed, or Audited</td>
<td></td>
</tr>
<tr>
<td>$50,000 to less than</td>
<td>Compiled, Reviewed or Audited</td>
<td>$100</td>
</tr>
<tr>
<td>$100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$100,000 to less than</td>
<td>Reviewed or Audited</td>
<td>$150</td>
</tr>
<tr>
<td>$300,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greater than $500,000</td>
<td>Audited</td>
<td>$250</td>
</tr>
</tbody>
</table>

1 Gross annual contributions are total national contributions from all sources based on the organization’s immediate preceding fiscal year end. They are not just contributions received from Pennsylvania. To determine “gross annual contributions”, add Part VIII lines 1a, 1b, 1c, 1d, 1f, 8a, and 9a from your organization’s IRS 990 return or see line 6 from your BCO-23 Form if not required to file a 990. If your organization filed a 990 EZ, add lines 1 and 6a and subtract any government grants.

2 Section 162.7(a): (1) Persons or organizations which solicit contributions for the relief of a specific individual which turn over all contributions collected without any deductions whatsoever to the specific individual; (2) organizations which only use their own members to solicit other bona fide members of the organization; (3) organizations which receive no more than $25,000 per fiscal year whose fund raising activities are carried on only by volunteers, members, officers or permanent employees and only permanent employees are compensated for those fundraising activities; and (4) veterans organizations chartered under Federal law, organizations of volunteer firemen, ambulance associations, rescue squad associations and their auxiliaries or affiliates which are not exempt from registration, did not receive contributions in excess of $100,000, and did not use a professional solicitor.
Charitable Organization Registration Statement – Form BCO-10

☐ Check if registering voluntarily  Certificate Number: ______________________ (Renewals Only)
(See note under “important information”)

Fiscal Year Ended: _____ / _____ / _____

Employer Identification Number (EIN): __________________________

1. Legal name of organization: ___________________________________

☐ Check if name change  Previous name: __________________________

2. All other names used to solicit contributions: ______________________

3. Contact person: _______________________________________________

Contact’s E-mail: _______________________________________________

Physical address of organization: (Required) Mailing address: (If different than physical)

_______________________________________________________________

City: __________________________  City: __________________________

State: ______ Zip code: __________  State: ______ Zip code: __________

County: ________________________  800 number: ____________________

Phone number: _________________  Fax number: ____________________

E-mail (If different that Contact’s E-mail): _________________________

Website: _______________________

4. Names, addresses, and telephone numbers of all offices, chapters, branches, auxiliaries, affiliates, or other subordinate units located in Pennsylvania: (Attach separate sheet if necessary)

_______________________________________________________________

_______________________________________________________________

_______________________________________________________________

_______________________________________________________________

_______________________________________________________________

_______________________________________________________________

_______________________________________________________________

Page 1 of 6  Form BCO-10 Revised (7/2009)
5. For Organizations described in Section 162.7(a) of the Act, check section that describes organization: (See footnote #2 of instructions. Volunteer registrants do not respond.)
   162.7(a)(1) □ 162.7(a)(2) □
   162.7(a)(3) □ 162.7(a)(4) □ Not Applicable □

6. List type of organization (e.g. corporation, association, etc.):
   _______________________________________________________
   Where established: __________________ Date established:**
   **(Initial registrants must submit copies of organizational documents such as charter, articles of incorporation, constitution, or other organizational instrument, and by-laws.)

7. Is any person compensated, or do you intend to compensate any person, for soliciting contributions in Pennsylvania, including employees of the organization and professional solicitors? Yes □ No □ (Do not check “Yes” if you only use or intend to only use a professional fundraising counsel.)
   If “Yes”, give date person or entity started or will start soliciting contributions from Pennsylvania residents. ___/___/____

Items 8 and 9 are required to be completed by initial registrants only

8. Date organization first solicited contributions from Pennsylvania residents:
   ___/___/____

9. If organization solicited Pennsylvania residents and received gross* contributions totaling more than $25,000 during the fiscal year covered by this registration statement, or during its current fiscal year, give date contributions first totaled more than $25,000. ___/___/____
   *Includes contributions received both within and outside Pennsylvania

10. Has organization been granted IRS tax-exempt status? Yes □ No □ (If “Yes”, please submit copy of IRS exemption letter if not previously submitted.)
    A. If “Yes”, under which IRS code section: _______________________________________________________
    B. Has organization’s tax-exempt status ever been denied, revoked, or modified? Yes □ No □ (If “Yes” attach copy of denial, revocation, or modification.)

11. Was the organization required to file an IRS 990 return and applicable schedules for its most recently completed fiscal year? Yes □ No □
    (If “No”, attach explanation of why organization is exempt from filing an IRS 990 return. An organization that is not required to file an IRS 990 return must file a Pennsylvania public disclosure form BCO-23. This includes an organization that files a 990N, 990EZ, or 990PF.)

12. A clear description of the specific programs for which contributions will be used, and a statement whether such programs are planned or in existence:
    _______________________________________________________
    _______________________________________________________
    _______________________________________________________

Form BCO-10 Revised (7/2009)
13. Manner in which contributions are solicited (e.g. direct mail, telephone, internet, etc.): 

14. Is organization registered to solicit contributions in any other state or municipality? Yes □ No □ (If “Yes”, list all states and municipalities. Attach separate sheet if necessary.) 

15. Names, addresses, and telephone numbers of all professional solicitors you use or intend to use to solicit contributions from Pennsylvania residents. For each entry, include the beginning and ending dates of all contracts, and dates Pennsylvania residents were first solicited, or will be solicited: (Attach separate sheet if necessary) 

16. Names, addresses, and telephone numbers of all professional fundraising counsels you use or intend to use to provide services with respect to the solicitation of contributions from Pennsylvania residents. For each entry, include the beginning and ending dates of all contracts, and dates services began, or will begin, with respect to soliciting contributions from Pennsylvania residents: (Attach separate sheet if necessary) 

17. Names, addresses, and telephone numbers of any commercial coventurers under contract with your organization:
18. If you are a parent organization located in Pennsylvania, do you elect to file a combined registration covering all of your Pennsylvania affiliates?  
Yes □ No □ Not Applicable □ (See note under “important information”)

If “Yes”, give all names and certificate numbers of your affiliate organizations:  
(For each affiliate whose parent organization files a Form IRS 990 group return, it must file a form BCO-23, in addition to filing a copy of the organization’s Form IRS 990 return.)

________________________________________________________________________
________________________________________________________________________

19. Are you a Pennsylvania affiliate of a parent organization, which elected to file a combined registration on your behalf? Yes □ No □ (See note under “important information”)

If “Yes”, provide the name and, if available, certificate # of your parent organization.  (For each affiliate whose parent organization files a Form IRS 990 group return, it must file a form BCO-23, in addition to filing a copy of the organization’s Form IRS 990 return.)

_________________________________________  ______________________________
(Legal name of parent organization)  (Certificate #)

20. Does your organization share contributions or other revenue with any other nonprofit corporation or unincorporated association? Yes □ No □ (If “Yes”, attach an explanation listing name, address, type of organization, and relationship to your organization.)

21. Does your organization share formal governance with any other nonprofit corporation or unincorporated association? Yes □ No □ (If “Yes”, attach an explanation listing name, address, type of organization, and relationship to your organization.)

22. Does any other domestic or foreign organization own a 10% or greater interest in your organization? Yes □ No □ (If “Yes”, attach the following information for each other domestic or foreign organization: name and type of organization, whether organization is for-profit or nonprofit, and relationship of organization to your organization.)

23. Does your organization own a 10% or greater interest in any other domestic or foreign organization? Yes □ No □ (If “Yes”, attach the following information for each other domestic or foreign organization: name and type of organization, whether organization is for-profit or nonprofit, and relationship of organization to your organization.)

24. Provide the names and addresses of all officers, directors, trustees, and principal salaried executive staff officers:  (Attach separate sheet if necessary)

________________________________________________________________________
________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Form BCO-10 Revised (7/2009)

Page 4 of 6
25. Names and addresses for: *(Attach separate sheet if necessary)*

A. Individual(s) in charge of solicitation activities:

B. Individual(s) with final responsibility for the custody of contributions:

C. Individual(s) with final responsibility for final distribution of contributions:

D. Individual(s) responsible for custody of financial records:

26. If you answer “Yes” to any of the following, attach a list of related individuals with names, business, and residence addresses of related parties. Are any officers, directors, trustees, or employees related by blood, marriage, or adoption to:

A. Any other officer, director, trustee, or employee? Yes □ No □

B. Any officer, agent, or employee of any professional fundraising counsel or solicitor under contract with organization? Yes □ No □

C. Any supplier or vendor providing goods or services? Yes □ No □

27. If you answer “Yes” to any of the following, attach full written explanations, including reasons for actions, and copies of all relevant documents. Has organization or any of its present officers, directors, executive personnel, trustees, employees, or fundraisers:

A. Been found to have engaged in unlawful practices in the solicitation of contributions or administration of charitable assets or been enjoined from soliciting contributions or are such proceedings pending in this or any other jurisdiction? Yes □ No □

B. Had its registration or license to solicit contributions denied, suspended, or revoked by any governmental agency? Yes □ No □

C. Entered into any legally enforceable agreement such as a consent agreement, an assurance of voluntary compliance or discontinuance with any district attorney, Office of Attorney General, or other local or state governmental agency? Yes □ No □
I certify that the information provided in this registration, including all statements and documentation, is true and correct. I understand that the falsification of any statement or documentation is subject to criminal penalties for unsworn falsifications pursuant to 18 PA. C.S. § 4904.

___________________________________________  Date __________________________
Signature of Chief Fiscal Officer

___________________________________________  Date __________________________
Type or Print Name and Title of Chief Fiscal Officer

___________________________________________  Date __________________________
Signature of Another Authorized Officer

___________________________________________  Date __________________________
Type or Print Name and Title of Another Authorized Officer

Checklist

☐ Original Registration Statement Properly Signed and Dated

☐ A Copy of Form IRS 990 Return and Required Schedules Signed and Dated by an Authorized Officer

☐ Form BCO-23, if Required

☐ Applicable Financial Statements

☐ Registration Fee and any Late Filing Fees

☐ Additional Filings, if an Initial Registrant
THE SOLICITATIONS ACT
FORM BCO-23

INSTRUCTIONS FOR COMPLETING FORM BCO-23

An organization which is not required to file an IRS 990 Return must file a BCO-23 Form. This includes an organization that files a 990N, 990EZ, or 990PF, or an affiliate whose parent organization files a 990 group return must file a BCO-23 Form in addition to filing a copy of the organization’s IRS 990 Return.

1) **General Contributions**: Enter the total gross contributions, gifts, grants and similar amounts received, including contributions from individuals, commercial co-ventures, corporations and other businesses, foundations, public charities, exempt organizations (do not include amounts received from fundraising organizations or affiliates), trusts, and estates. Also include noncash contributions such as donated land, buildings, property, equipment, and materials (exclude the value of services donated to the organization and the free use of materials, equipment or facilities). Noncash items should be valued at their fair market values on the date of their contribution to the organization. Exclude government grants and contracts.

2) **Gross Receipts from Special Events**: Enter the total gross amounts received from all special events and activities conducted by the organization, or on its behalf. Include amounts received from events that were conducted primarily to raise funds to finance the organization’s exempt activities. Events and activities include, but are not limited to, carnivals, dinners, dances, raffles, shows, sales to the public, bingo games, and other gambling activities. **Do not reduce the total gross amounts received by any expenses related to the events or activities. These expenses should be included on lines 14 or 16.**

3) **Contributions from Affiliates**: Enter the total contributions received from associated organizations such as affiliates, national organizations, or parent organizations.

4) **Contributions Received from Federated Fundraising Organizations**: Enter the total contributions received from fundraising organizations such as United Way, United Fund, and Community Chests.

5) **Receipts from Membership Dues in Excess of Bona Fide Dues**: Include only those dues that represent contributions from the public. Dues are considered to be contributions to the extent that they exceed the monetary value of the benefits available to the member. **Do not include the amounts received up to the value of the benefits available to the member. These amounts are bona fide membership dues and should be included on line 8.**

6) **Gross Contributions**: Add lines 1 through 5.

7) **Program Service Revenues**: Enter the gross amount of fees and revenues earned by the organization for providing services or performing activities that fulfill the organization’s stated mission or purpose. Include income earned for providing a government agency with a service, product, or facility that directly benefited only the government agency. **Do not include any amounts received from a government agency that are used to serve the needs of the general public. These amounts should be included on line 9.**

8) **Bona Fide Membership Dues and Assessments**: Include only those dues and assessments received that do not exceed the monetary value of the benefits available to the member. **Do not include dues received by the organization to the extent that they exceed the monetary value of the benefits available to the member. These amounts should be included on line 5. If a member pays dues mainly to support the organization (not to obtain benefits) include this amount on line 5.**

9) **Government Grants and Contracts**: Include total grants or other payments received from a federal, state, or local governmental unit if its primary purpose is to enable the organization to provide a service, product, or maintain a facility for the primary benefit of the general public. **Do not include any amounts received that are used to serve the needs of the governmental agency. These amounts should be included on line 7.**
10) **Miscellaneous Income:** This figure represents the total income from all sources not covered by lines 1 through 5 and lines 7 through 9, including, but not limited to, interest, dividends and interest from securities, gross rental income, gross amounts from the sale of assets other than inventory, and gross sales of inventory (this does not include items that were sold through a special event or activity).

11) **Total Income:** Add lines 6 through 10.

12) **Program Services:** Include total costs of services or activities performed by the organization that fulfill its charitable purposes. Include any donations, grants, scholarships, or similar amounts given out in fulfillment of the organization’s stated purposes. United Way and similar fundraising organizations should include allocations to participating agencies on this line. **Include allocated administrative expenses, if any. See instructions to line 13.**

13) **Administrative Expenses:** Include costs related to the overall administration and management of the organization. **If a portion of these costs relate to program services or fundraising, a reasonable allocation should be made among the applicable functions.**

14) **Fundraising Expenses:** Include costs incurred in soliciting contributions, gifts, grants, and similar amounts. Fundraising expenses normally include, but are not limited to, costs of acquiring and maintaining mailing lists, the cost of printing and mailing solicitation materials, as well as the expense of unsolicited merchandise sent out to encourage contributions. Include fundraising expenses related to the organization’s special events. **Do not include expenses directly attributable to furnishing the goods or services sold at a special event. These expenses should be included on line 16. Include allocated administrative expenses, if any. See instructions to line 13.**

15) **Payments to Affiliated Organizations:** Include all payments to organizations affiliated, associated, or closely-related to the reporting organization. Include dues paid to an affiliated state or national organization, including predetermined quota support and dues.

16) **Other Expenses from Special Events (other than fundraising expenses):** Include only those expenses directly attributable to the goods or services the buyer received from a special event. **Do not include fundraising expenses related to the organization’s special events. These expenses should be included on line 14.**

17) **Miscellaneous Expenses:** Include expenses that are not reportable on lines 12 thru 16, including all expenses that are attributable to the income reported on line 10.

18) **Total Expenses:** Add lines 12 through 17.

19) **Excess (or Deficit) for the Year:** Enter the difference between lines 11 and 18. If line 18 is greater than line 11, enter the difference in parentheses.

20) **Net Assets or Fund Balances at Beginning of Year:** Organizations using fund accounting should report the total sum of the various fund balances at the beginning of the reporting year on this line. Organizations not using fund accounting should report their net assets, which is the difference between total assets and total liabilities. These amounts should agree with the ending fund balance of the prior fiscal year.

21) **Other Changes in Net Assets or Fund Balances:** Attach a schedule explaining any changes in net assets or fund balances between the beginning and end of the year that were not accounted for by the amount on line 19. Amounts to report here include, but are not limited to, adjustments of earlier years’ activity, unrealized gains and losses on investments carried at market value, and any differences between fair market value and book value of property given out as an award or grant.

22) **Net Assets or Fund Balances at End of Year:** Combine lines 19, 20, and 21.

23) **Salaries and Expense Allowance Statement:** Refer to Form BCO-23 for instructions.
## PENNSYLVANIA PUBLIC DISCLOSURE FORM BCO-23

<table>
<thead>
<tr>
<th>ORGANIZATION NAME:</th>
<th>CERTIFICATE NUMBER:</th>
<th>FOR FISCAL YEAR ENDED:</th>
</tr>
</thead>
</table>

### Part I: Gross Contributions

1) General Contributions 1

2) Gross Receipts from Special Events 2

3) Contributions from Affiliates 3

4) Contributions Received from Federated Fundraising Organizations 4

5) Receipts from Membership Dues in Excess of Bona Fide Dues 5

6) Gross Contributions (add lines 1 through 5) 6

### Part II: Other Income

7) Program Service Revenues 7

8) Bona Fide Membership Dues and Assessments 8

9) Government Grants and Contracts 9

10) Miscellaneous Income 10

11) Total Income (add lines 6 through 10) 11

### Part III: Expenses

12) Program Services 12

13) Administrative Expenses 13

14) Fundraising Expenses 14

15) Payments to Affiliated Organizations 15

16) Other Expenses from Special Events (other than fundraising expenses) 16

17) Miscellaneous Expenses 17

18) Total Expenses (add lines 12 through 17) 18

### Part IV: Net Assets

19) Excess or (Deficit) for the Year (subtract line 18 from line 11) 19

20) Net Assets or Fund Balances at Beginning of Year 20

21) Other Changes in Net Assets or Fund Balances (attach explanation) 21

22) Net Assets or Fund Balances at End of Year (combine lines 19, 20, and 21) 22

*(See Next Page for "Salaries and Expense Allowance Statement"*)
**SALARIES AND EXPENSE ALLOWANCE STATEMENT**

Report salaries paid and expenses allowed to the five highest paid employees. Additionally, include salaries paid and expenses allowed to any and all compensated officers of the organization.

23) Salaries and Expense:

<table>
<thead>
<tr>
<th>Name of Individual</th>
<th>Title and Average Hours Per Week Devoted to Position</th>
<th>Salary</th>
<th>Expense Account and Other Allowances</th>
</tr>
</thead>
</table>

**Five Highest Paid Employees:**

1. 

2. 

3. 

4. 

5. 

**Officers:**
